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10 **IN THE UNITED STATES BANKRUPTCY COURT**
11 **FOR THE DISTRICT OF ARIZONA**

12 In re:

13 ANDES INDUSTRIES, INC.; and
14 PCT INTERNATIONAL, INC.,
15 Debtors.

Chapter 11

Case No. 2:19-bk-14585-PS
Case No. 2:19-bk-14586-PS
Jointly Administered

17 **THIS FILING APPLIES TO:**

- 18 ☒ All Debtors
19 ☐ Specified Debtors

**SUPPLEMENTAL DISCLOSURES
REGARDING DEBTORS' AMENDED
JOINT PLAN OF REORGANIZATION
DATED AUGUST 10, 2020**

21 Andes Industries, Inc. and PCT International, Inc., debtors and debtors-in-
22 possession (collectively the "**Debtors**") in these Jointly Administered Chapter 11 cases,
23 pursuant to the Court's Minute Entry Order [Dkt. No. 883] entered on May 17, 2021,
24 hereby file these Supplemental Disclosures regarding the *Debtors' Amended Joint Plan of*
25 *Reorganization Dated August, 10 2020* [Dkt. No. 361] (the "**Plan**").

26 The Debtors have prepared these Supplemental Disclosures in connection with the
27 Plan. All capitalized, undefined terms herein shall have the meanings ascribed to them in
28 the Plan.

1 The Exhibits to these Supplemental Disclosures are incorporated into, and are a
2 part of, these Supplemental Disclosures. Any interested party desiring further information
3 should contact:

4 Stinson LLP
5 Attn: Anthony P. Cali, Esq.
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7 Phoenix, Arizona 85004
8 Telephone: 602-212-8509
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10 Interested parties may also obtain further information from the Bankruptcy Court
11 at the following website: <http://www.azb.uscourts.gov>. Each holder of claim and parties
12 otherwise affected by the Plan should read these Supplemental Disclosures, and the
13 Exhibits attached hereto. These documents contain important information concerning the
14 treatment of claims.

15 **I. PLAN MODIFICATIONS.**

16 **1. The Amended Committee Stipulation.**

17 After the filing of the Plan, the Debtors and the Official Committee of Unsecured
18 Creditors (the "**Committee**") engaged in good-faith negotiations regarding the Debtors'
19 financial projections and their proposed treatment of unsecured claims under the Plan, and
20 resolved their disputes at the time pursuant to the *Stipulation in Support of Confirmation*
21 *of the Debtors' Amended Joint Plan of Reorganization Dated August 10, 2020* [Dkt. No.
22 459] (the "**Original Stipulation**").

23 After the Original Stipulation was filed, EZconn Corporation, eGTran Corporation,
24 Devon Investment, Inc., and Crestwood Capital Corporation (collectively the "**Petitioning**
25 **Creditors**"), the Committee, and the Debtors negotiated a settlement agreement (*see*
26 Section I.2. *infra*). The settlement calls for additional Effective Date payments to be made
27 by the Debtors under the Plan, as modified, and the Debtors require financing
28 collateralized by the proceeds of the State Court Action (defined below) that were pledged
to the general unsecured creditors in the Original Stipulation in order to make the Effective
Date payments.

1 Subsequently, the Committee expressed to the Debtors that the PC Settlement
2 (defined below) and proposed new financing modified the Plan and affected the Original
3 Stipulation, which led to reopened negotiations with the Debtors and modifications to the
4 Original Stipulation as reflected in the *Amended Stipulation in Support of Confirmation*
5 *of the Debtors' Amended Joint Plan of Reorganization Dated August 10, 2020* [Dkt. No.
6 890] (the "**Amended Stipulation**"). A copy of the Amended Stipulation is attached hereto
7 as **Exhibit A** and incorporated herein by reference. The synopsis of the Amended
8 Stipulation contained herein is intended as a brief synopsis only. Please review the
9 Amended Stipulation (Exhibit A) for all terms negotiated by the Debtors and the
10 Committee. To the extent any explanation below conflicts with the Amended Stipulation,
11 the Amended Stipulation controls.

12 The Amended Stipulation specifies certain treatment of General Unsecured
13 Creditors including, without limitation, the following: (1) a \$1.2 million Effective Date
14 payment to Classes 3-B, 3-C, and 3-D [Amended Stipulation, ¶ 17]; (2) an interest rate of
15 1.5% per annum applied to the Allowed Claims within
16 Class 3-B and 3-C [Amended Stipulation, ¶ 18]; (3) specified recoveries resulting from
17 certain causes of action to be pursued by the Debtors [Amended Stipulation, ¶ 19]; defined
18 payment schedules applicable to holders of Claims in Classes 3-B and 3-C [Amended
19 Stipulation, ¶ 20]; additional quarterly payments of \$62,500 for 16 quarters, beginning on
20 September 1, 2021, for holders of Allowed Claims in Class 3-B in addition to the
21 cumulative amounts described in paragraph 19 [Amended Stipulation, ¶ 22]; the
22 appointment of a Plan Agent from the Committee to do, among other things, the following:
23 (i) to oversee distributions made under the Plan, (ii) receive regular reporting from the
24 Reorganized Debtors, and (iii) to oversee or demand action on any Chapter 5 cause of
25 action held by the Debtors. [Amended Stipulation, ¶¶ 26–37].

26 The following table summarizes the treatment of General Unsecured Claims as
27 provided for in the Plan, the Original Stipulation, and the Amended Stipulation. It is
28 intended as a brief synopsis only. Please review the applicable documents for all terms

negotiated by the parties thereto. To the extent any explanation below conflicts with the Plan and/or Amended Stipulation, the Plan and/or Amended Stipulation control.

Unsecured Creditor Class	Plan (Dkt. No. 361)	Original Stipulation (Dkt. No. 459)	Amended Stipulation (Dkt. No.)
3-A: Critical Vendors	<ul style="list-style-type: none"> • Paid in full by third anniversary of Effective Date via equal monthly installments 	<ul style="list-style-type: none"> • Same as Plan 	<ul style="list-style-type: none"> • Same as Plan
3-B: General Unsecured Claims	<ul style="list-style-type: none"> • Paid in quarterly installments over 10 years with interest accruing at the federal judgment rate. • Payments made pro rata amongst Classes 3-B and 3-C from Net Available Cash after payments to priority claims, critical vendors and secured claims • Any amounts remaining owing will be paid on 10th anniversary of the Effective Date 	<ul style="list-style-type: none"> • \$1.2 million distributed <i>pro rata</i> to Classes 3-B, 3-C, and 3-D on the Effective Date (3-D's <i>pro rata</i> portion subject to 50/50 reduction described below) • 1.5% interest rate applied to Class 3-B Claims • Established minimum bi-annual payments to Allowed Claims in Class 3-B • 85%/15% split of net recoveries of specified causes of action between General Unsecured Creditors and the Debtors 	<ul style="list-style-type: none"> • \$1.2 million distributed <i>pro rata</i> to Classes 3-B, 3-C, and 3-D on the Effective Date (3-D's <i>pro rata</i> portion subject to 50/50 reduction described below) • 1.5% interest rate applied to Class 3-B Claims • Established minimum bi-annual payments to Allowed Claims in Class 3-B • 100% of net recoveries (including net of litigation financing [Dkt. No. 881] of specified causes of action to General Unsecured Creditors until paid in full • Additional quarterly payments of \$62,500 for 16 quarters, beginning on September 1, 2021, for Class 3-B
3-C: Petitioning Creditors	<ul style="list-style-type: none"> • Same as Class 3-B 	<ul style="list-style-type: none"> • \$1.2 million distributed <i>pro rata</i> to Classes 3-B, 3-C, and 3-D on the Effective Date 	<ul style="list-style-type: none"> • Same as Original Stipulation except for 1.5% interest rate now applied to Class 3-C Claims

		(3-D's <i>pro rata</i> portion subject to 50/50 reduction described below) <ul style="list-style-type: none"> • Similar bi-annual minimum payments to Class 3-C as to those established for Class 3-B • 85%/15% split of net recoveries of specified causes of action between General Unsecured Creditors and the Debtors 	
3-D: Subsidiary Claims	<ul style="list-style-type: none"> • PCTY will waive its claims against PCT; PCTV will reduce its claim by \$4 million, and remaining claim of about \$2,011,000 paid in same fashion as Class 3-B claims 	<ul style="list-style-type: none"> • PCTV Claim paid 50% in same fashion as the claims in Class 3-B and remaining 50% paid only after all other Allowed General Unsecured Creditors are paid in full. 	<ul style="list-style-type: none"> • Same as Original Stipulation
3-E: Youtsey Claim	<ul style="list-style-type: none"> • No payments until all other Allowed Claims paid in full. 	<ul style="list-style-type: none"> • Same as Plan 	<ul style="list-style-type: none"> • Same as Plan

2. The PC Settlement

For several months, the Debtors, the Committee, and the Petitioning Creditors engaged in negotiations resulting in the execution of the "Settlement Term Sheet" (the "**PC Settlement**") entered into by the Petitioning Creditors, Mr. Chi-Jen (Dennis) Lan and Polar Star Management, Ltd. (collectively with the Petitioning Creditors, the "**Petitioning Creditors and Interest Holders**"), the Committee and the Debtors. The PC Settlement has been approved by the Court in accordance with the *Order Granting Joint Motion for Approval of Settlement Pursuant to Bankruptcy Rule 9019* [Dkt. No. 845]. The PC Settlement is attached hereto as **Exhibit B** and incorporated herein by reference.

1 The PC Settlement specifies Plan treatment for the "Judgment Creditors" in Class
2 3-C. The following is intended as a brief synopsis only. Please review the PC Settlement
3 (Exhibit B) for all terms negotiated by the parties thereto. To the extent any explanation
4 below conflicts with the PC Settlement, the PC Settlement controls. The material terms of
5 the PC Settlement are as follows:

6 • Withdrawal of the Petitioning Creditors' Plan: Pending confirmation
7 of the Debtors' Plan, the *Petitioning Creditors' Third Amended Plan of*
8 *Reorganization of Andes Industries, Inc. and PCT International Inc. Dated*
9 *September 10, 2020* [Dkt. No. 406] (the "**Petitioning Creditors' Plan**") will
10 be held in abeyance. Upon confirmation of the Debtors' Plan, the Petitioning
11 Creditors' Plan will be withdrawn.

12 • Withdrawal of the Motion to Designate: Upon confirmation of the
13 Debtors' Plan, the Debtors will withdraw the *Motion to Designate the Votes of*
14 *Petitioning Creditors Under Section 1126(e)* [Dkt. No. 775].

15 • Withdrawal of Plan Objections and Motion to Convert: Pursuant to
16 the PC Settlement, the Petitioning Creditors withdrew *Motion to Convert Cases*
17 *to Chapter 7 Proceedings* [Dkt. 626], and the Petitioning Creditors and Interest
18 Holders shall withdraw their objections to the Debtors' Plan.

19 • Effective Date Payments to Creditors and Interest Holders: The
20 Petitioning Creditors and Interest Holders shall receive a \$1.85 million cash
21 payment from the \$2 million capital contribution to the Debtors on the Effective
22 Date of the Debtors' Plan. (As noted below, the Petitioning Creditors and
23 Interest Holders shall receive their *pro rata* share of the \$1.2 million Effective
24 Date payment due to general unsecured creditors in the Amended Stipulation,
25 or approximately \$812,659, which when combined with the \$1.85 million
26 payment is a total of approximately \$2,662,659 to the Petitioning Creditors on
27 the Effective Date of the Plan.)
28

1 • Dismissal of Adversary Proceeding and Pending Appeal: Pending
2 confirmation of the Debtors' Plan, Adversary Case No. 2:20-ap-00161 (the
3 "**Adversary Proceeding**") against the Petitioning Creditors will be held in
4 abeyance. Upon confirmation of the Debtors' Plan, the Debtors and Committee
5 shall dismiss the Adversary Proceeding against the Petitioning Creditors, with
6 prejudice, and stipulate to the full allowance of the Petitioning Creditors' Claims
7 [Claim Nos. 13, 15–18]. PCT shall also dismiss appeal 19-15518 in the Ninth
8 Circuit Court of Appeals. For avoidance of doubt, the Committee shall dismiss
9 the *Joinder to and Intervenor Complaint for Equitable Subordination of Claims*
10 *Pursuant to 11 U.S.C. Section 501(C)* [Adv. Dkt. No. 75] against the Petitioning
11 Creditors with prejudice.

12 • Treatment of Petitioning Creditors' Claims: The Petitioning
13 Creditors, in addition to the Effective Date payment noted in subsection (d)
14 above, will receive their *pro rata* share of the \$1.2 million Effective Date
15 payment due to general unsecured creditors under the Amended Stipulation.
16 The payoff amount of the Petitioning Creditors' claims would be subject to the
17 following sliding scale:

- 18 ○ Payoff if paid by the 1st Anniversary of Effective Date: \$6.9M
- 19 ○ Payoff if paid after the 1st Anniversary of the Effective Date
20 and on or before the 2nd Anniversary of Effective Date: \$11.5M
- 21 ○ Payoff if paid after the 2nd Anniversary of the Effective Date
22 and on or before the 3rd Anniversary of Effective Date: \$12.5M
- 23 ○ Payoff if paid after the 3rd Anniversary of the Effective Date
24 and on or before the 4th Anniversary of Effective Date: \$13.5M
- 25 ○ Payoff if paid after the 4th Anniversary of the Effective Date
26 and on or before the 5th Anniversary of Effective Date: \$15.0M (all of
27 the foregoing defined as "**Early Payment Options**")
- 28

○ For calculation of Early Payment Options, the payoff amount shall be the amounts set forth above less any payments already made to the Creditors and Interest Holders under the Plan.

○ If the Debtors do not exercise the early payment options on or before the 5th anniversary of the Effective Date of the Plan, the Petitioning Creditors shall have the remainder of their allowed claims paid in full under the terms of Plan § IV(C)(3).

- Mutual Releases: As set forth more specifically in the PC Settlement (Section 4), the Debtors, on the one hand, and each of the Creditors and Interest Holders on the other hand, agree to release and discharge each other from any and all claims existing up until the effective date of the PC Settlement.

As described above, the payoff amount of the Petitioning Creditors' claims will be subject to a sliding scale that incentivizes the Debtors to pay off the Petitioning Creditors' claims as soon as possible [PC Settlement, § 2.h.ii]. The total payoff amount ranges from \$6.9 million by the 1st anniversary of the Effective Date of the Plan (*i.e.* a discount of 69% of the amount of the allowed claim) to \$15 million by the 5th anniversary of the Effective Date of the Plan (*i.e.* a discount of 32%). *Id.* If the Debtors do not exercise the early payoff option on or before the 5th anniversary of the Effective Date of the Plan, the Petitioning Creditors shall have their allowed claims paid in full in accordance with Section IV.C.3 of the Plan [PC Settlement, § 2.h.iii].

3. The PPP Stipulation.

On November 24, 2020, the Debtors and MidFirst Bank (the "**PPP Lender**") entered into the *Stipulation Providing for (1) Allowance and Plan Treatment of PPP Lender's Administrative Expense Claim; and (2) Other Related Relief* [Dkt. No. 544] (the "**PPP Stipulation**"). The PPP Stipulation has been approved by this Court pursuant to the *Order Approving Stipulation Providing for (1) Allowance and Plan Treatment of PPP Lender's Administrative Expense Claim; and (2) Other Related Relief* [Dkt. No. 598] (the "**PPP Stipulation Order**").

1 PPP Lender did not hold a claim against the Debtors' bankruptcy estates on the
2 Petition Date. On June 24, 2020, the Court entered the *Order Granting PCT's Emergency*
3 *Motion to Approve Post-Petition "Debt" Pursuant to the Cares Act's Paycheck Protection*
4 *Program* [Dkt. No. 317] (the "**PPP Loan DIP Financing Order**"). On June 25, 2020,
5 PPP Lender advanced a PPP loan to PCT in the principal amount of \$847,500 (the "**PPP**
6 **Loan**"), evidenced by a Promissory Note dated June 25, 2020 (the "**PPP Loan Note**"). If
7 PCT uses the loan proceeds in compliance with the PPP program, some or all of the
8 principal of the indebtedness due under the PPP Loan may be forgiven. The Debtors have
9 completed their forgiveness application, which was subsequently reviewed by the PPP
10 Lender and submitted to the Small Business Administration (the "**SBA**") on May 12, 2021.
11 The SBA has 90 days to make a determination as to whether the PPP Loan may be
12 forgiven.

13 As provided for in the PPP Stipulation and approved by the PPP Stipulation Order,
14 PPP Lender holds an allowed administrative claim against the Debtors' bankruptcy estates.
15 Pursuant to the PPP Stipulation, PPP Lender's allowed administrative expense claim,
16 including PPP Lender's actual bankruptcy attorney's fees and costs not to exceed \$10,000
17 shall be paid in cash and in full on the Effective Date of the Plan [PPP Stipulation, ¶ 16].
18 Upon confirmation of the Plan, any portion of the PPP Loan not forgiven is to be paid
19 according to the terms included in the PPP Loan Note [PPP Stipulation, ¶ 17]. In the event
20 that the PPP Loan DIP Financing Order is reversed or vacated on appeal and the SBA
21 obtains a final judgment in its favor, and that loan is not forgiven the entire PPP Loan
22 amount, including interest and attorneys' fees and costs of PPP Lender and the SBA shall
23 be immediately due and payable in full as an allowed administrative expense claim to be
24 paid on the later of the Effective Date or the date of entry of final judgment in the SBA's
25 favor [PPP Stipulation, ¶ 18].

26 **4. The MCT Stipulation.**

27 On April 9, 2021, the Debtors and the Maricopa County Treasurer's Office entered
28 into the *Stipulation and Order Regarding Treatment of Maricopa County Treasurer's*

1 *Claim Under Debtors' Proposed Chapter 11 Plan & Withdraw of Related Plan Objection*
2 [Dkt. No. 849] (the "**MCT Stipulation**"). The MCT Stipulation provides specific plan
3 treatment of the Maricopa County Treasurer's priority tax claims in the agreed amounts of
4 \$3,973.67 and \$1,973.55 under Class 1-B of the Plan [MCT Stipulation, ¶¶ 5–6]. The
5 MCT Stipulation secures a discounted payoff of the MCT claims over the face amount of
6 the claims asserted and resolves MCT's *Objection to Debtors' Amended Joint Plan of*
7 *Reorganization dated August 10, 2020* [Dkt. No. 371].

8 **5. Changes to Post-Confirmation Reorganized Debtor.**

9 Due to the PC Settlement, the creation of a newly formed company ("**Newco**")—
10 as previously contemplated by the Plan—is no longer necessary. Instead, the Reorganized
11 Andes will cancel all shares except for those of the funding shareholders—Steve Youtsey,
12 Wendy Chiao, and Wade Ferguson. Those individuals will remain as shareholders and
13 retain their current shares in Andes in exchange for the equity contributions described in
14 Section V.A. of the Plan. As before, Reorganized Andes will retain 100% of the equity
15 interests in PCT. For purposes of clarity, and in accordance with Bankruptcy Code
16 § 1123(a)(6), the Reorganized Debtors will not be issuing non-voting equity securities.
17 This change to the organizational structure of the Reorganized Debtors does not adversely
18 impact any creditor or claimant. The treatment of equity holders in Class 4 remains the
19 same as it did previously under the Plan.

20 **6. Non-Material Supplement Regarding Additional Liquidity Line**

21 The Debtors have recently negotiated a term sheet for a post-petition line of credit
22 (the "**Liquidity Line**") with a third-party lender, TRGP Investment Partners, LP (the
23 "**Liquidity Line Lender**"). The Liquidity Line Lender has committed to provide a \$5
24 million Liquidity Line, which will provide additional liquidity to the Debtors in order to
25 make Effective Date payments under the Plan, as modified by the Amended Stipulation
26 and the PC Settlement. The Liquidity Line Lender's sole source of recovery will be from
27 any future award, judgment, or settlement (collectively, the "**Award**") of the Debtors' state
28

1 court action against Robins Kaplan LLP and/or Coppersmith Brockelman PLC (the "**State**
2 **Court Action**").¹

3 The terms and condition of the proposed Liquidity Line are set forth in the Term
4 Sheet itself, which is attached as **Exhibit C** hereto and incorporated herein by reference.
5 The following is intended as a brief synopsis only. Please review the Term Sheet (Exhibit
6 C) for all terms negotiated between and executed by the Debtors and the Liquidity Line
7 Lender. To the extent any explanation below conflicts with Term Sheet, the Term Sheet
8 controls.

- 9 • Loan Amount: Liquidity Line Lender will provide financing of up to
10 \$5 million to provide the Debtors with working operational capital.
- 11 • Use of Funds: PCT may use the \$5 million for operational expenses
12 or payments under any plan of reorganization.
- 13 • Collateral: The Liquidity Line Lender's sole recourse for payments
14 of amounts loaned under the Liquidity Line shall be recoveries from the State
15 Court Action after distribution to the Debtors' special counsel, Beus Gilbert &
16 McGroder, PLLC (the "**Beus Firm**") at their contingency rate of 33% or 40%
17 dependent on the state of the litigation as agreed to between the Debtors and the
18 Beus Firm in the terms of their engagement (the "**Net Recoveries**").
- 19 • Proceeds Waterfall:
 - 20 ○ **First**, 100% of Net Recovers to Liquidity Line Lender until
21 Liquidity Line Lender has received an amount equal to the specified

23
24 ¹ While this has been referred to as "litigation financing" by some of the parties in the
25 bankruptcy proceedings, it is not litigation financing in the sense that the financing can only be
26 used to pay expenses of litigation (which is more traditional "litigation financing"). Given the
27 retention of the Beus Firm, which is essentially funding the State Court Action in its entirety
28 pursuant to the Court-approved retention [Dkt. No. 347], there is no need for funding of litigation
expenses for the State Court Action. As such, the Liquidity Line has been referred to as "litigation
financing" because the sole recourse for the lender will be the proceeds (if any) from the State
Court Action.

time-based multiple of funds actually invested by Liquidity Line Lender as per below:

Recovery Received Between and		Multiple of Amount Loaned
0 months	15 months	2.00x
15 months	30 months	3.00x
30 months	thereafter	3.50x

○ **Second**, 100% of the remaining Net Recoveries up to \$40 million to the Debtors (i.e. of the first \$40 million in Net Recoveries, Liquidity Line Lender shall receive its distribution in 12(d)(i) and the Debtors shall receive the remainder.

○ **Third**, 5% of the remaining Net Recoveries to Liquidity Line Lender thereafter, stepping up to 10% if the State Court Action is resolved and recoveries are distributed 36 months or more after the effective date of the Loan Documents.

As noted above, the Liquidity Lender's sole source of recovery will be from any future Award in the State Court Action. The Liquidity Line will otherwise be non-recourse as to the Debtors, but may be used by the Debtors to make effective date payments under the Plan, and otherwise has no interim payments or debt service related thereto. The Debtors have determined that its existing financial circumstances necessitate the Liquidity Line in order to meet its restructuring needs—namely, in order to make the Effective Date payments required by the Plan, as modified by subsequent agreements.

II. EFFECTIVE DATE PAYMENTS AND SOURCES AND USES OF CASH.

The Plan previously contemplated a \$2 million equity infusion from Steven Youtsey and Wendy Chiao to fund Effective Date payments. In view of changed circumstances in these proceedings—the PC Settlement, the Amended Stipulation, and additional months of bankruptcy proceedings with attendant administrative costs, the Debtors now also require the Liquidity Line—in the amount of approximately \$5 million—to satisfy Effective Date payments. The Debtors have prepared an Effective Date

1 payment analysis, which is attached hereto as **Exhibit D** and is incorporated herein by
2 reference.

3 **III. UPDATED PLAN PROJECTIONS.**

4 With consideration of, among other things, the foregoing, the Debtors have
5 prepared plan payment and cash flow projections extending through the year 2030
6 (collectively, the “**Projections**”). The Projections are attached hereto as **Exhibit E** and
7 incorporated fully herein by this reference. The Projections are based upon the Debtors’
8 best estimates of the future revenues to be generated through their operations and the
9 future expenses the Debtors expect to incur. The Projections assume that the Allowed
10 Claim of the Petitioning Creditors in Class 3-C will be paid in full over the term of the
11 Plan. Pursuant to the PC Settlement, the Debtors have the option to pay the Petitioning
12 Creditors' claim early at substantial discount. Furthermore, the Projections do not provide
13 for any recoveries from an Award in the State Court Action or contemplate any new
14 financing aside from the Liquidity Line.

15 In addition, the Debtors’ Projections are based upon consultation with the Debtors’
16 sales teams and a thorough and critical analysis of the Debtors’ current customer base and
17 its anticipated future customers that will be specifically targeted by the Debtors upon their
18 emergence from bankruptcy, as well as the application of industry standard ratios and
19 metrics. The Debtors’ expense projections are based upon the Debtors’ historical margins
20 taking into account the Debtors’ substantial and long-term reductions in overhead and
21 improved efficiencies.

22 RESPECTFULLY SUBMITTED this 21st day of May, 2021.

23 **STINSON LLP**

24 /s/ Anthony P. Cali

25 Anthony P. Cali

26 1850 N. Central Ave., Suite 2100

27 Phoenix, Arizona 85004-4584

28 *Attorneys for Debtors*

Exhibit A

Exhibit A

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14 *Attorneys for Debtors*

11 **IN THE UNITED STATES BANKRUPTCY COURT**
12 **FOR THE DISTRICT OF ARIZONA**

13 In re:
14 ANDES INDUSTRIES, INC.; and
15 PCT INTERNATIONAL, INC.,
16 Debtors.

Chapter 11

Case No. 2:19-bk-14585-PS
Case No. 2:19-bk-14586-PS

Jointly Administered

17 **THIS FILING APPLIES TO:**

- 18 ☒ All Debtors
19 ☐ Specified Debtors

**AMENDED STIPULATION IN
SUPPORT OF CONFIRMATION OF
THE DEBTORS' AMENDED JOINT
PLAN OF REORGANIZATION
DATED AUGUST 10, 2020**

22 Andes Industries, Inc. ("Andes") and PCT International, Inc. ("PCT," and collectively
23 with Andes, the "Debtors"), on the one hand, and the Official Committee of Unsecured
24 Creditors (the "Committee," and collectively with the Debtors, the "Parties"), on the other
25 hand, as evidenced and confirmed by the signatures of their respective counsel below, hereby
26 agree and stipulate as follows (the "Stipulation"):

27 **RECITALS**

28 1. On November 15, 2019 (the "Petition Date"), involuntary Chapter 7

1 bankruptcy petitions were filed against the Debtors, thereby commencing the above-
2 captioned bankruptcy cases.

3 2. On December 2, 2019, the Debtors filed motions to voluntarily convert these
4 bankruptcy cases to Chapter 11 proceedings.

5 3. The Debtors' motions to convert were granted, and an order for relief was
6 therefore entered, in these Chapter 11 cases on December 4, 2019.

7 4. The Committee was duly constituted and appointed by the United States
8 Trustee for the District of Arizona by filing of her *Appointment of Official Joint Committee*
9 *of Unsecured Creditors* [DE 138], as amended on February 13, 2020 [DE 155].

10 5. FTI Consulting (Hong Kong) Limited, ACB Import Services, Inc. and GZT
11 Telkom-Telmor SP. z.o.o (collectively, the "Committee Members") are the members of the
12 Committee.

13 6. On August 10, 2020, the Debtors filed their *Amended Joint Plan of*
14 *Reorganization Dated August 10, 2020* [DE 361] (as ultimately amended, the "Plan").

15 7. On August 10, 2020, the Debtors filed their *Joint Second Amended Disclosure*
16 *Statement Relating to Debtors Joint Plan of Reorganization Dated August 10, 2020* [DE 362]
17 (the "Disclosure Statement").

18 8. On August 13, 2020, the Court entered its order approving the Disclosure
19 Statement.

20 9. On September 11, 2020, EZconn Corporation, eGTran Corporation, Devon
21 Investment, Inc., and Crestwood Capital Corporation (the "Petitioning Creditors") filed the
22 *Petitioning Creditors' Third Amended Plan of Reorganization of Andes Industries, Inc. and*
23 *PCT International Inc. Dated September 11, 2020* [DE 409] (the "Petitioning Creditors'
24 Plan").

25 10. After the filing of the Plan, the Parties engaged in good-faith negotiations
26 regarding the Debtors' financial projections and their proposed treatment of unsecured claims
27 under the Plan, and resolved their disputes at the time pursuant to the *Stipulation in Support*
28

1 of Amended Joint Plan of Reorganization Dated August 10, 2020 [DE 459] (“Original
2 Stipulation”).

3 11. After the Original Stipulation was filed, the Committee, the Debtors, and
4 Petitioning Creditors negotiated a settlement agreement [Exhibit A to DE 802] (“PC
5 Settlement”) that after notice and hearing the Court approved [DE 845].

6 12. The PC Settlement calls for additional Effective Date payments to be made by
7 the Debtors under the Plan as modified, and the Debtors require financing collateralized by
8 the Litigation Recoveries (defined below) that were pledged to the General Unsecured
9 Creditors in the Original Stipulation in order to make the Effective Date payments [DE 881,
10 882].

11 13. The Committee expressed to the Debtors that the PC Settlement and proposed
12 new financing modified the Plan and affected the Original Stipulation, which led to reopened
13 negotiations with the Debtors and the additional terms as set forth herein.

14 14. The Debtors and the Committee have agreed to the terms and conditions set
15 forth herein to resolve all of their disputes relating to, and to promote confirmation of, the
16 Debtors’ Plan.

17 STIPULATION

18 15. The recitals above are true and hereby affirmed by the Parties.

19 16. The proposed order confirming the Debtors’ Plan shall incorporate the terms
20 of this Stipulation.

21 17. On the Effective Date,¹ the Reorganized Debtors shall pay \$1,200,000 to
22 holders of Allowed Claims in Class 3-B, and Class 3-C and Class 3-D² to the extent such
23 classes receive equivalent treatment (collectively, “General Unsecured Creditors”). In
24 accordance with the terms of the Plan, this Stipulation, and the PC Settlement, this

25 _____
26 ¹ Any capitalized term not otherwise defined herein shall have the meaning ascribed to such
term in the Plan.

27 ² Class 3-D's share of the *pro rata* Effective Date payments is subject to the agreed-upon
28 reduction reflected in Paragraph 24, *infra*.

1 \$1,200,000 will be distributed to holders of Allowed Claims in Classes 3-B, 3-C, and 3-D,
2 on a *pro rata* basis. Class 3-B's *pro rata* share of the \$1,200,000 will be distributed on a *pro*
3 *rata* basis among members of that class after payment of Class 3-B "administrative
4 convenience" claims of less than \$3,000, totaling approximately \$43,000.

5 18. The interest rate payable under the Plan to holders of Allowed Claims within
6 Class 3-B and Class 3-C shall be 1.5% *per annum*.

7 19. Any recovery, net of costs of prosecution, enforcement, repayment of litigation
8 financing as set forth in DE 881, if approved, and collection, derived from causes of action
9 prosecuted by the Reorganized Debtors, including, but not limited to, any actions arising
10 under Chapter 5 of the Bankruptcy Code, the malpractice claims against Robins Kaplan LLP
11 and/or Coppersmith Brockelman PLC (collectively, "Litigation Recoveries") will be
12 distributed by the Debtors 100% to General Unsecured Creditors, until all General Unsecured
13 Creditors are paid in full. This paragraph shall be binding on any subsequently appointed
14 Chapter 11 Trustee or Chapter 7 Trustee.

15 20. The Reorganized Debtors will pay the following cumulative amounts to the
16 holders of Allowed Claims in Class 3-B, in aggregate, by the following dates (Allowed
17 Claims in Class 3-C shall receive similar *pro rata* minimum payments, unless Class 3-C's
18 claim is satisfied in accordance with the PC Settlement):

- 19 a. September 30, 2021: \$75,000
- 20 b. December 31, 2021: \$100,000
- 21 c. June 30, 2022: \$300,000
- 22 d. December 31, 2022: \$500,000
- 23 e. June 30, 2023: \$700,000
- 24 f. December 31, 2023: \$1,000,000
- 25 g. June 30, 2024: \$1,300,000
- 26 h. December 31, 2024: \$1,750,000
- 27 i. June 30, 2025: \$2,000,000
- 28 j. December 31, 2025: \$2,500,000

- k. June 30, 2026: \$3,000,000
- l. December 31, 2026: \$3,500,000
- m. June 30, 2027: \$4,000,000
- n. December 31, 2027: \$4,500,000
- o. June 30, 2028: \$5,000,000
- p. December 31, 2028: \$5,500,000
- q. June 30, 2029: \$6,000,000
- r. December 31, 2029: \$6,500,000
- s. June 30, 2030: \$7,000,000
- t. 10th Anniversary of the Effective Date: Paid in full

21. After the initial \$1,200,000 paid on the Effective Date, any payment received by the holders of Allowed Claims in Class 3-B and Class 3-C, including from Litigation Recoveries, shall be included in calculating the aggregated and cumulative amounts required to be paid in Paragraph 20 above.

22. In addition to the cumulative amounts set forth in paragraph 20 above, beginning September 1, 2021, the Debtors shall pay holders of Allowed Claims in Class 3-B an additional \$62,500 per quarter for 16 quarters (“Quarterly Payments”). For clarity, the Quarterly Payments will not be taken into account as part of the cumulative amounts described in paragraph 20.

23. The definition of “Net Available Cash” in the Plan is revised as follows: The total amount of funds available for the payment of Allowed Claims under the Plan, determined in accordance with the methodology reflected in the projections attached to the Debtors’ Disclosure Statement as Exhibit “A,” as ultimately amended, multiplied by the following percentage for the implicated year: 50% for 2020, 2021, and 2022; 55% for 2023; 65% for 2024, 2025; and 70% for each year thereafter. The Net Available Cash, as multiplied by the percentage set forth above for the implicated year, will be the total amount of funds available for the payment of Allowed Claims under the Plan in any given year. Any portion of the Litigation Recoveries retained by the Reorganized Debtors shall be excluded from the

1 calculation of Net Available Cash.

2 24. The Allowed Claim of PCT Vietnam within Class 3-D will be paid as follows:
3 50% in the same fashion as the claims included within Class 3-B, and the remaining 50%
4 shall be paid only after all Allowed General Unsecured Creditors are paid in full.

5 25. Nothing herein shall restrict the Committee (pre-confirmation) or the Plan
6 Agent³ (post-confirmation) from objecting to claims asserted against the Debtors' estates.

7 26. The Parties agree that, as of the Effective Date, Hilary L. Barnes, Esq., will be
8 appointed to serve as agent for the General Unsecured Creditors ("Plan Agent").

9 27. In the event of the resignation of the Plan Agent, or in any other event in which
10 the Plan Agent is unable to continue to act, a successor Plan Agent may be appointed by the
11 Plan Agent. Any successor Plan Agent must be approved by the previous Plan Agent and
12 the Reorganized Debtors. Upon the appointment of a successor Plan Agent, the Reorganized
13 Debtors will provide notice of such appointment to the General Unsecured Creditors. If no
14 appointment and approval of a successor Plan Agent is made by the Plan Agent and
15 Reorganized Debtors within a reasonable time after a resignation, removal or other event
16 relating to the prior Plan Agent, the Bankruptcy Court may appoint a successor Plan Agent
17 after notice and a hearing.

18 28. The Plan Agent shall be authorized and directed to act in good faith as
19 necessary or desirable to ensure the Reorganized Debtors' compliance with the Debtors'
20 Plan's treatment of General Unsecured Creditors, including without limitation to appear and
21 participate in any proceeding before the Bankruptcy Court, or any other court of competent
22 jurisdiction, with respect to any matter regarding or relating to the Debtors' Plan. The Plan
23 Agent, in his or her discretion, may but is not required to seek Bankruptcy Court approval of
24 the Plan Agent's action.

25 29. Within twenty-one (21) calendar days after the end of the preceding calendar
26 quarter, the Reorganized Debtors will deliver to the Plan Agent reports, in a format

27 _____
28 ³ "Plan Agent" is defined in Paragraph 26.

1 reasonably acceptable to the Plan Agent and the Reorganized Debtors, setting forth (a) the
2 status of litigation claims, anticipated settlements, and an accounting of any litigation
3 proceeds received and/or distributed by the Reorganized Debtors; (b) actual compared to
4 projected income for purposes of distributions to general unsecured creditors as set forth in
5 the Plan; (c) quarterly financial statements and (d) an accounting of any distributions made
6 under the Plan, including a calculation by which the amount of the distributions made to each
7 General Unsecured Creditor was determined (collectively, “Quarterly Reports”). The
8 Quarterly Reports will be prepared by the Reorganized Debtors’ management and will not
9 be necessarily reviewed or audited by any third party. The Plan Agent shall review and
10 analyze the Quarterly Reports, be entitled to request and receive further information or
11 backup documentation related to the Quarterly Reports, as necessary and prudent, and take
12 any action in good faith related thereto to ensure transparency and accountability by the
13 Reorganized Debtors under the Debtors’ Plan.

14 30. The Debtors may not draw upon post-confirmation litigation financing further
15 encumbering the Litigation Recoveries without approval of the Plan Agent, which shall not
16 be unreasonably withheld, and if the Parties cannot agree, they can bring the issue to the
17 Bankruptcy Court for approval.⁴

18 31. The Reorganized Debtors shall keep reasonable and accurate accounts, records,
19 books, journals, ledgers and data with respect to their business operations and financial
20 affairs (“Records”). The Plan Agent, and any of his or her retained agents or professionals,
21 shall have the right, subject to reasonable guarantees of confidentiality and redaction or other
22 protection of customer and pricing information the dissemination of which may pose a risk
23 to the Reorganized Debtors’ competitive position, upon reasonable advance notice, to inspect
24 such Records to ensure the Reorganized Debtors’ compliance with the Plan and the
25 projections contained therein.

26 _____
27 ⁴ For the avoidance of doubt, this Paragraph does not apply to the financing that is the
28 subject of the Debtors’ *Motion for Order Authorizing Debtors to Obtain Post-Petition Exit
Financing* [DE 881].

1 32. Notwithstanding anything herein to the contrary, the Plan Agent will not have
2 the authority to interfere with, or assert any control over, the Reorganized Debtors'
3 operational or managerial actions or decision-making or, except as expressly provided for
4 herein, take any action on behalf of the Reorganized Debtors.

5 33. On or before the Effective Date, the Reorganized Debtors will transfer \$35,000
6 into a segregated account created, and to be maintained, by the Plan Agent (the "Plan Agent
7 Reserve Account"). The Plan Agent will hold the funds in the Plan Agent Reserve Account,
8 and any funds that may subsequently deposited therein in accordance with this Stipulation,
9 in trust for the benefit of General Unsecured Creditors.

10 34. The Plan Agent may use the Plan Agent Reserve Account to fund litigation or
11 other court actions to ensure the Reorganized Debtors' compliance with the Debtor's Plan,
12 including related fees and expenses, as may be deemed advisable by the Plan Agent in his or
13 her reasonable discretion without the need for the Reorganized Debtors' approval. Upon
14 Reorganized Debtors' completion of all payments to General Unsecured Creditors under the
15 Debtors' Plan, the Plan Agent will be discharged and, after payment of reasonable costs as
16 provided herein, shall disburse any remaining amounts held in the Plan Agent Reserve
17 Account to the Reorganized Debtors.

18 35. Within thirty (30) calendar days after the Effective Date, the Reorganized
19 Debtors shall provide the Plan Agent with an analysis of potential actions arising under
20 Chapter 5 of the Bankruptcy Code. The Plan Agent shall have standing to demand that the
21 Reorganized Debtors bring any Chapter 5 cause of action the Plan Agent deems to be
22 advisable, after consideration of the impacts any such action may have on the Reorganized
23 Debtors' ongoing operations and business relationships. If the Reorganized Debtors decline
24 to bring any such action, the Reorganized Debtors shall assign such action to the Plan Agent.
25 The Plan Agent, including its agents and professionals, may be paid compensation for fees
26 and expenses incurred in such action solely from recovery obtained through such action. In
27 the event the Plan Agent pursues such an action, prevails, and receives a recovery, all of the
28 proceeds available after payment of the Plan Agent and its professionals, including

1 reimbursement of any related funds expended from the Plan Agent Reserve Account, will be
2 distributed or reserved, as appropriate, to Allowed General Unsecured Creditors and shall be
3 applied toward the minimum payments established by Paragraph 20 above.

4 36. Upon confirmation of the Debtors' Plan and prior to the Effective Date, the
5 Parties shall reach a mutually agreeable annual budget ("Budget") related to the Reorganized
6 Debtors' compensation and reimbursement of the Plan Agent's fees and costs, including for
7 any professionals retained by the Plan Agent, for services rendered in connection with the
8 Plan Agent's services as set forth herein. If the Parties cannot mutually agree on a Budget,
9 the Parties shall submit the dispute to the Bankruptcy Court for adjudication as to the
10 reasonableness of any proposed Budget.

11 37. Subject to the Budget, including a 10% variance therefrom, the Plan Agent,
12 and any professionals retained by the Plan Agent, shall be entitled to reasonable
13 compensation, and reimbursement of reasonable expenses, for their services rendered as set
14 forth herein. The Plan Agent, and any professionals retained by the Plan Agent, may not
15 exceed the Budget, as augmented by a 10% variance, unless previously approved in writing
16 by the Reorganized Debtors. The Plan Agent, and any professionals retained by the Plan
17 Agent, shall submit invoices related to the services rendered by the Plan Agent and such
18 professionals in accordance with paragraphs 28 through 31, above, to the Reorganized
19 Debtors on a monthly basis. If the Reorganized Debtors do not object in writing, to any
20 portion of the submitted invoices within twenty-one (21) calendar days of their delivery, the
21 Reorganized Debtors shall pay the invoice promptly thereafter. If the Reorganized Debtors
22 object in writing to any invoice received from the Plan Agent or any professional retained by
23 the Plan Agent, and if the Reorganized Debtors' objection cannot be resolved through
24 informal negotiations, the Parties may submit the dispute to the Bankruptcy Court for
25 resolution.

26 38. The Bankruptcy Court will reserve jurisdiction to hear and decide any disputes
27 regarding this Stipulation.

28 39. Upon default of any of the provisions contained in the Debtors' Plan or any

1 provision contained herein related to payment or treatment of General Unsecured Creditors,
2 the Plan Agent shall provide the Reorganized Debtors with written notice of such default. If
3 the Reorganized Debtors fail to cure such default within thirty (30) calendar days of receiving
4 such written notice, and the Parties cannot reach a mutually agreeable resolution, the Plan
5 Agent is authorized and may file a motion to reopen the bankruptcy cases (if they have been
6 closed) and/or file a notice of plan default with the Bankruptcy Court, and seek revocation
7 of the Plan and/or conversion of the case to a proceeding under Chapter 7. Before taking
8 such actions, the Plan Agent shall discuss with, and take into account the recommendations
9 of any interested party the Plan Agent deems advisable to consult.

10 40. In the event that the Plan Agent discovers any misappropriation of funds, or
11 unjustified transfers that improperly reduce the extent of the funds that would otherwise be
12 available for payment to the General Unsecured Creditors under the Plan, the Plan Agent
13 shall have all of the rights and remedies set forth in the foregoing paragraph 38, and shall
14 have standing to take any action, and appear in any proceeding, in the Bankruptcy Court to
15 redress such misappropriation or unjustified transfers. After reimbursement of reasonable
16 fees and expenses, the Plan Agent shall distribute any proceeds realized through any such
17 action to General Unsecured Creditors on a *pro rata* basis and provide notice thereof to the
18 Reorganized Debtors.

19 41. Any of the deadlines contained herein may be revised upon the written
20 agreement of the Reorganized Debtors and the Plan Agent without the need for any further
21 order of the Bankruptcy Court.

22 42. The Parties agree to make reasonable efforts to take all necessary actions in
23 good faith to consummate and effectuate the provisions set forth herein and contemplated
24 hereby. The Parties intend to work together in good faith to fulfill their respective obligations
25 under this Stipulation and the Debtors' Plan and not to default in those obligations.

26 43. In consideration and adoption of the foregoing provisions, the Committee
27 supports and will take reasonable steps to promote the confirmation of the Debtors' Plan,
28 including any amendments thereto that are not inconsistent with the terms of this Stipulation.

44. The Committee Members have submitted ballots rejecting the Petitioning Creditors' Plan, and the Committee will not support confirmation of the Petitioning Creditors' Plan. However, the Committee and its members reserve their rights with regard to any amended plan(s) of reorganization filed with the Bankruptcy Court.

DATED: May 21, 2021.

STINSON LLP

By: /s/ Anthony P. Cali

Thomas J. Salerno
Anthony P. Cali
Attorneys for Debtors

ALLEN BARNES & JONES, PLC

By: /s/ Hilary L. Barnes

Hilary L. Barnes
*Attorneys for the Official Committee of
Unsecured Creditors*

I hereby certify that on May 21, 2021 I electronically transmitted the attached document to the Clerk's Office using the CM/ECF System for filing and transmittal of a Notice of Electronic Filing to all CM/ECF registrants.

/s/ Karen Graves

CORE/3522310.0002/167042670.1

Exhibit B

Exhibit B

Execution of this settlement term sheet (the “Settlement Term Sheet”) is binding on EZconn Corporation (“EZconn”), eGTran Corporation (“eGTran”), Devon Investment, Inc. (“Devon”), and Crestwood Capital Corporation (“Crestwood”), Mr. Cheng-Sun Lan (collectively, the “Petitioning Creditors”), Mr. Chi-Jen (Dennis) Lan, and Polar Star Management, Ltd. (collectively with the Petitioning Creditors, the “Creditors and Interest Holders”), Andes Industries, Inc. (“Andes”) and PCT International, Inc. (“PCT” together with Andes, the “Debtors”), and the Official Committee of Unsecured Creditors (the “Committee”). The Creditors and Interest Holders, the Debtors, and the Committee are collectively referred to as the “Parties” or individually as “Party.” The Settlement Term Sheet must be approved by the Bankruptcy Court upon joint motion by the Debtors, the Committee, and the Creditors and Interest Holders pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure. Once approved, the *Debtors’ Amended Joint Plan of Reorganization Dated August 10, 2020* [Dkt. No. 361] (“Debtors’ Plan”) as amended by the *Stipulation in Support of Confirmation of the Debtors’ Amended Joint Plan of Reorganization Dated August 10, 2020* [Dkt. No. 459] (the “Stipulation”) shall be supplemented to incorporate the terms of this Settlement Term Sheet (the “Plan”). For purposes of this agreement, the “effective date” shall be the date on which the Settlement Term Sheet is approved the Bankruptcy Court (“Agreement Effective Date”). The Parties agree as follows:

1. The Creditors and Interest Holders, the Debtors, and the Committee agree to consensual plan agreement, which is fully set forth herein.
2. The Plan reorganizes the Debtors and they continue post confirmation as an operating entity—as restructured (collectively the “Reorganized Debtors”).
 - a. Upon confirmation of the Plan, Petitioning Creditors shall withdraw the *Petitioning Creditors’ Third Amended Plan of Reorganization of Andes Industries, Inc. and PCT International, Inc. Dated September 10, 2020* [Dkt. No. 406]. While the Plan memorializing the terms set forth herein is in the confirmation process, Petitioning Creditors agree that their plan will be held in abeyance, to be withdrawn upon confirmation of the Plan.
 - b. Upon confirmation of the Plan, the Debtors shall withdraw the *Motion to Designate the Votes of Petitioning Creditors under Section 1126(e)* [Dkt. No. 775].
 - c. The Petitioning Creditors shall withdraw (i) the *Petitioning Creditors’ Objection to the Debtors’ Amended Joint Plan of Reorganization Dated August 10, 2020* [Dkt. No. 437] and (ii) the *Motion to Convert Cases to Chapter 7 Proceedings* [Dkt. No. 626]; Mr. Dennis Lan shall withdraw *Chi-Jen (Dennis) Lan’s Objection to Debtors’ Joint Amended Plan Dated August 10, 2020* [Dkt. No. 339]; and Polar Star Management, Ltd. (“Polar Star”) shall withdraw *Polar Star Management Ltd.’s Objection to Debtors’ Joint Amended Plan Dated August 10, 2020* [Dkt. No. 440].
 - d. The Creditors and Interest Holders shall support the Plan. The Parties agree the provisions herein are non-material as to parties other than the Parties hereto such that resolicitation is not required. Moreover, the Petitioning Creditors shall not object to and support confirmation of the Plan, and not object to any other issues in the case (including claims allowance of any other claimants, allowance of

administrative claims, etc.). In other words, provided the Debtors are moving forward with confirmation of the Plan, Petitioning Creditors shall not be an impediment in the case.

- e. The Creditors and Interest Holders shall receive a \$1.85M cash payment from a non-Debtor third party on the Effective Date of the Plan.
- f. Pursuant to the Plan, the existing equity interests in Andes shall be deemed extinguished as of the Effective Date of the Plan. Equity in Andes (as reorganized—“Reorganized Andes”) shall be issued to Newco, the equity holders of which will be Steve Youtsey, Wendy Chaio and Wade Ferguson, on the Effective Date of the Plan. Plan at § V(A).
- g. Upon confirmation of the Plan, the Debtors and the Committee shall dismiss the adversary proceeding against the Petitioning Creditors, with prejudice, stipulating and agreeing that the Petitioning Creditors have allowed claims in the full amounts set forth in their proof of claims, and PCT shall dismiss its pending appeal 19-15518, the last remaining appeal in the Ninth Circuit (currently administratively closed due to the bankruptcy case, with the ability to reopen). For the avoidance of doubt, the Committee shall dismiss its subordination claim against the Petitioning Creditors in the adversary proceeding with prejudice.
- h. Payments shall be made on account of the Petitioning Creditors’ ~\$22M claims under the Plan, but with the following modifications:
 - i. The Petitioning Creditors shall receive their *pro rata* share of the \$1.2M Effective Date payment due to general unsecured creditors under terms of the Stipulation. The Petitioning Creditors’ estimated *pro rata* share of this payment is ~\$768k, which when combined with the \$1.85M payment from 2.d above is a total of \$2.618M¹ to the Petitioning Creditors on the Effective Date of the Plan.
 - ii. The payoff amount of the Petitioning Creditors’ claims would be subject to a sliding scale which incentivizes the Debtors to pay off the Petitioning Creditors’ claims as soon as possible (earlier payoff = bigger discount). The total payoff amount ranges from \$6.9M by the 1st Anniversary of the Effective Date of the Plan to \$15.0M by the 5th Anniversary of the Effective Date of the Plan and is based on the total payments to the Creditors and Interest Holders (that is, the payoff figures below include the \$2.618M described above and any other Plan payments made):

1. Payoff if Paid by the 1st Anniversary of Effective Date: \$6.9M

¹ To clarify, on the Effective Date of the Plan, the Petitioning Creditors shall receive a total of \$2.618M from a combination of funds from a non-Debtor third party and the Debtors. Accordingly, if the Petitioning Creditors’ pro rata share of the \$1.2M Effective Date payment is less than \$768,000, the non-Debtor third party will need to increase the amount of the cash payment to the Creditors and Interest Holders.

2. Payoff if Paid after the 1st Anniversary of the Effective Date and on or before the 2nd Anniversary of Effective Date: \$11.5M
3. Payoff if Paid after the 2nd Anniversary of the Effective Date and on or before the 3rd Anniversary of Effective Date: \$12.5M
4. Payoff if Paid after the 3rd Anniversary of the Effective Date and on or before the 4th Anniversary of Effective Date: \$13.5M
5. Payoff if Paid after the 4th Anniversary of the Effective Date and on or before the 5th Anniversary of Effective Date: \$15.0M (all of the foregoing defined as “Early Payment Options”)
6. For calculation of Early Payment Options, the payoff amount shall be the amounts set forth above less any payments already made to the Creditors and Interest Holders under the Plan.

iii. If Debtors do not exercise their Early Payment Options on or before the 5th Anniversary of the Effective Date of the Plan, the Petitioning Creditors shall have their ~\$22M allowed claims (reduced by any payments already made under the Plan), and Debtors are obligated to pay the Petitioning Creditors’ claims in full under the terms of the Plan. Plan at § IV(C)(3).

iv. The provisions in the Stipulation shall apply to post-confirmation monitoring under the Plan.

3. The Debtors and Creditors and Interest Holders shall not disparage each other in any press release or public comment. Any comment or press release that directly or indirectly mentions the other Party must be preapproved by the other Party, the approval by either Debtors or Creditors and Interest Holders shall not be unreasonably withheld. The foregoing shall not prevent the Debtors from reasonably prosecuting its case against Debtor’s former counsel, Robins Kaplan and Coppersmith Brockelman, including filing pleadings, arguing at hearings, or deposing or interviewing witnesses.
4. Effective upon the Agreement Effective Date, each of the Debtors on the one hand, and each of the Creditors and Interest Holders on the other hand, releases and forever discharges the other, together with each released Party’s agents, employees, directors, officers, members, managers, shareholders, contractors, consultants, attorneys, successors and assigns, representatives, parents, subsidiaries, and affiliates, from any and all claims, actions, causes of action, demands, rights, damages, costs, losses, expenses, compensation, and liabilities whatsoever, whether in law or equity, known or unknown, existing up until the Agreement Effective Date, including, but not limited to, any and all existing claims related to patents including any patents that are registered internationally which could potentially be the subject of future litigation, *i.e.*, enforcement actions, wrongful patenting, etc. No Party hereby releases any claims of patent infringement for acts occurring after the Agreement Effective Date. In response to such a claim of patent infringement, the Party sued for patent infringement shall be able to bring any patent invalidity or unenforceability defense (which may be asserted as a counterclaim for declaratory judgment) as to the

asserted patent(s) based on pre-Agreement Effective Date facts or events, but such defense or counterclaim cannot revive any other claim that is released by this Paragraph 4.

5. Forum Selection Clause: Any Claims arising out of an alleged breach of, the enforcement of, or dispute of the rights under this Settlement Term Sheet that occur after the Effective Date of the Plan, shall exclusively be brought in the state or federal courts located in Maricopa County, Arizona, without waiver of a Party's right of removal from state to federal court. The Parties consent to venue and personal jurisdiction as to such claims exclusively in Maricopa County, Arizona. For all other claims, the Parties reserve the right to contest jurisdiction and venue. To be clear, any claims that arise relating to the Plan shall, in accordance with the Plan, be subject to the jurisdiction of the bankruptcy court. Plan at XI.
6. The Settlement Term Sheet shall be binding on any subsequently appointed Chapter 7 or Chapter 11 Trustee.
7. To be clear, any and all unleased claims and causes of actions of the Debtors, including the malpractice action against Robins Kaplan and any rights with respect to this Settlement Term Sheet (once approved by the Bankruptcy Court), remain in the ownership and control of the Reorganized Debtors.
8. By executing this Settlement Term Sheet today, March 19, 2021, undersigned counsel has entered into a binding agreement. The foregoing notwithstanding, the Parties acknowledge that the terms herein are subject to Bankruptcy Court approval, which all Parties agree they will seek expeditiously and support.

SNELL & WILMER L.L.P.

By: /s/ Christopher H. Bayley

Christopher H. Bayley
Benjamin W. Reeves
Molly J. Kjartanson
One Arizona Center
400 E. Van Buren St., Ste. 1900
Phoenix, AZ 85004-2202
Attorneys for Petitioning Creditors

HAGENS BERMAN SOBOL SHAPIRO LLP

By: /s/ Greer N. Shaw

Greer N. Shaw

Exhibit C

Exhibit C

PRIVILEGED AND CONFIDENTIAL
MAY 10, 2021

TRGP INDICATIVE OFFER OF TERMS TO PCT FOR FINANCING

This document (the "Term Sheet") is intended as a summary of certain terms and conditions the Parties (as defined below) intend to incorporate into Definitive Documents that will govern this transaction. This Term Sheet is not and should not be construed as a commitment or offer to provide any financing. These are indicative terms and any investment in all respects are subject to final legal and business due diligence, legal documentation, and investment committee approval. This Term Sheet does not create any legal obligation or duty of care, except with respect to Sections 4, 7-13. The existence of this Term Sheet and its contents are strictly confidential.

1. Parties: TRGP Investment Partners, LP, on behalf of itself and/or an affiliated investment vehicle ("TRGP"), on the one hand, and PCT International, Inc. and other affiliates ("PCT"), on the other hand. TRGP and PCT are individually referred to herein as a "Party", and together as the "Parties".

2. Purpose: This Term Sheet is intended – subject in all respects to the satisfactory completion of due diligence and execution of the Definitive Documents – to set forth certain terms and conditions pursuant to which TRGP will provide financing to PCT (as described in Section 6, below, the "Financing"), as well as strategic litigation and resolution advice, in connection with PCT's malpractice litigation against Robins Kaplan, LLP, Coopersmith Brockelman, PLC, Christopher K. Larus, Esq., and Denise Rahne, Esq. (the "Defendants"), filed on February 26, 2021 in the Superior Court for the State of Arizona In and For the County of Maricopa (the "Litigation").

3. Counsel: This Term Sheet and the execution of Definitive Documents are conditioned on PCT keeping Beus Gilbert McGroder PLLC as counsel in the Litigation (the "Lawyers"), recognizing that selection of counsel is PCT's choice alone.

4. Work Product, Attorney-Client Privilege, Common Interest and Confidentiality: The Parties agree that all of their communications, directly between them or through their representatives, concerning any non-public information shall be provided to the receiving Party, and maintained by the receiving Party, in strict confidence. The Parties further agree that all non-public information that has been or will be provided between them, directly or through their representatives, shall be maintained by the receiving Party in strict confidence. The Parties further agree that their negotiations, this Term Sheet, and the proposed terms contained herein or otherwise negotiated between them and the information provided by either Party to the other Party in the course of such negotiations, including ongoing diligence, are strictly confidential and may not be disclosed to any non-Party except as provided herein or as required by law or regulation.

The Parties agree that the disclosing Party may suffer irreparable harm if any such information were to be further disclosed to a person other than a Party, its counsel, advisors, partners, and shareholders (provided that any such recipients agree to confidentiality obligations being at least as restrictive as those defined in this Term Sheet), without the disclosing Party's express, written permission. The disclosing Party shall be entitled to relief, including injunctive and other equitable relief, in the event of a breach of confidentiality.

PRIVILEGED AND CONFIDENTIAL
MAY 10, 2021

The Parties also agree that TRGP's interests with regard to the Litigation are fully aligned with those of PCT, and that the transmission to TRGP of non-public information shall be protected from involuntary disclosure to the maximum extent permitted by law, including under the work product doctrine, the attorney-client privilege, the common interest doctrine, and any other applicable privilege or immunity that protects such information from compelled disclosure to others.

5. Settlement and Other Litigation Decisions: All settlement and litigation decisions concerning the Litigation shall belong solely to PCT. PCT shall keep TRGP informed on a regular and consistent basis of material events and strategic issues, including offers of settlement (prior to acceptance of any such offers); provided that PCT shall not be obligated to share any confidential materials or information protected from disclosure by the attorney-client privilege or the attorney work product doctrine, except with the express advice of PCT's counsel.

6. Financial Terms:

A. Litigation Fees & Expenses

- (i) TRGP will provide financing to provide PCT with working operational capital up to \$5,000,000 ("Investment Cap").
- (ii) PCT may use any part of the Investment Cap for operational expenses, payments under any plan of reorganization or, if necessary, for any attorneys' fees and expenses necessary to prosecute the Litigation.

B. Proceeds Waterfall

Any Recoveries shall first be distributed to the Lawyers at their contingency rate of 33% or 40% dependent on the stage of the litigation as agreed to between the PCT and the Lawyers in the terms of their engagement. Remaining Recoveries¹ ("Net Recoveries") from the Litigation shall be the sole recourse for payment of amounts hereunder to TRGP hereunder, and shall be distributed as follows:

¹ "Recoveries" shall be defined broadly in the Definitive Documents, so that, for example, it encompasses monetary and non-monetary outcomes that could arise as a result of the Litigation. Generally, "Recoveries" in the context of the Definitive Documents means any and all consideration and value received by Plaintiff (prior to any netting, offset, reduction or deduction of any fees, costs, expenses, payment of taxes or payment of any other amounts) in partial or complete resolution of the Litigation, including: (a) any and all gross, pre-tax monetary awards, damages, recoveries, judgments or other property or value awarded to, recovered by or on behalf of (or reduced to a debt owed to) Plaintiff on account or as a result or by virtue (directly or indirectly) of Plaintiff's claims against a Defendant, whether by negotiation, arbitration, mediation, diplomatic efforts, lawsuit, settlement, pursuant to a corporate transaction of any nature, or otherwise, and includes all of Plaintiff's legal and/or equitable rights, title and interest in and/or to any of the foregoing, whether in the nature of ownership, lien, security interest or otherwise, plus (b) any recovered interest, penalties, attorneys' fees and costs in connection with any of the foregoing (including, without limitation, sanctions, post-judgment interest, costs and fees), plus (c) any consequential, actual, punitive, exemplary or double or treble damages awarded or recovered on account thereof, plus (d) any interest awarded or later accruing on any of the foregoing (including, without limitation, post-judgment interest), plus (e) any recoveries against attorneys, accountants, experts or officers in connection with any of the foregoing or the pursuit of the Claim plus (f) any non-cash recoveries.

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- (i) **First**, 100% of Net Recoveries to TRGP until TRGP has received an amount equal to the specified time-based multiple of funds actually invested by TRGP as per the table below:

Recovery received between and		MOIC
0 months	15 months	2.00x
15 months	30 months	3.00x
30 months	thereafter	3.50x

- (ii) **Second**, 100% of remaining Net Recoveries up to \$40 million to PCT (i.e. of the first \$40 million in Net Recoveries, TRGP shall receive its distribution in B(i) and PCT shall receive the remainder; Net Recoveries in excess of \$40 million will be distributed according to B(iii));
- (iii) **Third**, 5% of remaining Net Recoveries to TRGP thereafter, stepping up to 10% if the Litigation is resolved and Recoveries are distributed 36 months or more after the effective date of Definitive Documents.

7. **Exclusivity:** PCT hereby agrees that, in consideration of TRGP's agreement to spend time and money continuing its due diligence and negotiating Definitive Documents, for a period of 45 days from the execution of this Term Sheet, PCT (including its representatives) shall not initiate, solicit, negotiate, encourage, accept, entertain, or communicate in relation to, or make any offer or proposal, regarding financing for any claims relating to the Litigation from anyone other than TRGP or its affiliates.

8. **Representations and Warranties:** The Definitive Documents will contain representations, warranties, and covenants customary for a transaction of this type.

9. **Expenses of the Parties:** Each Party shall bear its own expenses incurred in the negotiation and execution of this Term Sheet and the Definitive Documents; provided, however, that outside costs incurred by TRGP in conducting due diligence or in drafting or negotiating this Term Sheet and Definitive Documents, up to a cap of \$50,000, shall be considered a part of the Financing.

10. **Remedies:** The Parties each agree that the obligations of the Firm set forth in this Agreement are necessary and reasonable to protect TRGP. The Parties agree that monetary damages would be inadequate to compensate TRGP for any breach by the Firm of the covenants and agreements set forth herein. Accordingly, the Firm agrees and acknowledges that any violation of this Term Sheet will cause TRGP irreparable harm and that, in addition to other available remedies, TRGP shall be entitled to obtain injunctive relief against the Firm, without needing to prove actual damages.

11. **Governing Law/Arbitration:** This Term Sheet and all acts and transactions pursuant hereto shall be governed, construed, and interpreted in accordance with the laws of the State of New York without giving effect to principles of conflicts of laws. Any Dispute (as defined in

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Exhibit A) shall be resolved by the Parties pursuant to the dispute resolution procedures attached hereto as Exhibit A.

12. Counterparts: This Term Sheet may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

13. Notices: All notices and communications shall be in writing sent to a Party at such address as the Party may designate in writing, and they may be delivered by email (effective when sent) or by hand or courier (effective on delivery).

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Submitted by:

TRGP INVESTMENT PARTNERS, LP

DocuSigned by:
By: Michael Rozen
0F53560328FA484...

Name: Michael K. Rozen

Title: Managing Partner

Notice Address:

1114 Avenue of the Americas, 41st floor
New York, NY 10036

Email: mrozen@trgpcap.com

Accepted and Agreed:

PCT International, Inc.

By: Steve Youtsey

Name: Steve Youtsey

Title:

Notice Address:

Email: steve@andesinc.com

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EXHIBIT A:

DISPUTE RESOLUTION PROCEDURES

1. **Procedure.** Any dispute, claim, or controversy arising out of, relating to, or in connection with the Term Sheet or the formation, applicability, breach, termination, validity, or enforceability thereof (a “Dispute”), shall be resolved by the Parties pursuant to these procedures.

2. **Informal Settlement Meeting.** The Parties shall attempt in good faith to resolve any Dispute promptly by negotiation between executives who have authority to settle the Dispute and who are at a higher level of management than the Persons with direct responsibility for administration of the Term Sheet. In the event of any Dispute not resolved in the normal course of business, a Party wishing to commence arbitration shall first serve written notice on the other Party demanding that negotiation commence (a “Dispute Notice”). Within 7 calendar days after delivery of a Dispute Notice, the receiving Party shall submit a written response (a “Response Notice”). The Dispute Notice and Response Notice shall include with reasonable particularity (a) a statement of the relevant Party’s position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent the relevant Party. Within 7 calendar days after the date specified for the delivery of the Response Notice, the executives of the Parties shall meet, telephonically, via video conference or at a mutually acceptable time and place.

3. **Confidential.** All offers, promises, conduct, and statements, whether oral or written, made in the course of the negotiation by or on behalf of any of the Parties are confidential, privileged, and inadmissible for any purpose, including impeachment, in arbitration, or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation.

4. **Statute of Limitations.** All applicable statutes of limitation and defenses based on the passage of time shall be tolled while the procedures set forth in this Exhibit A are being invoked and for 14 calendar days thereafter. The Parties will take such action, if any, required to effectuate such tolling.

5. **Arbitration.** At any time after the passage of 28 calendar days after service of a Dispute Notice, any Party may initiate arbitration proceedings. Any disputes concerning the propriety of the commencement of the arbitration shall be finally settled by the arbitral tribunal. Any Dispute, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in New York, New York before one neutral arbitrator and shall be administered by JAMS pursuant to JAMS’ Streamlined Arbitration Rules and Procedures in effect at the time of the arbitration, except as they may be modified herein or by another written agreement signed by the Parties. The language to be used in the arbitral proceedings will be English. The Parties waive their right to any form of recourse based on grounds other than those contained in the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958 or the Federal Arbitration Act insofar as such

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waiver can be validly made. The arbitration award shall be final and binding on the Parties, and the Parties undertake to carry out the award without any delay. Judgment upon the award may be entered by any court having jurisdiction of the award or having jurisdiction over the relevant Party or its assets.

6. **Arbitral Confidentiality.** The Parties agree that the arbitration shall be kept confidential. The existence of the arbitration, any nonpublic information provided in, or documents otherwise prepared for the purposes of the arbitration, and orders or awards made in the arbitration (together, the “Confidential Arbitral Information”) shall not be disclosed to any non-party except the tribunal, JAMS, the Parties, their counsel, experts, witnesses, accountants and auditors, insurers and reinsurers, and any other Person necessary to the conduct of the arbitration. Notwithstanding the foregoing, a Party may disclose Confidential Arbitral Information to the extent that disclosure may be required to fulfill a legal duty, protect, or pursue a legal right, or enforce or challenge an award in bona fide legal proceedings or to enforce the arbitration in any appropriate legal forum. This confidentiality provision survives termination of the Term Sheet and of any arbitration brought pursuant to this Exhibit A.

7. **Damages.** The arbitrator shall be entitled to award damages to the prevailing party, including damages for lost profits and interest as allowed under New York law.

8. **Attorneys’ Fees.** The arbitrator shall have discretion to award to the prevailing party, if any, the costs and attorneys’ fees reasonably incurred by the prevailing party in connection with the arbitration. If the arbitrator determines a party to be the prevailing party under circumstances where the prevailing party won on some but not all of the issues, the arbitrator may award the prevailing party an appropriate percentage of the costs and attorneys’ fees reasonably incurred by the prevailing party in connection with the issue(s) on which the party prevailed in the arbitration.

9. **Federal Arbitration Act.** The Parties acknowledge that the Term Sheet evidences a transaction involving interstate commerce. Notwithstanding the provision in this Exhibit A with respect to applicable substantive law, any arbitration conducted pursuant to the terms of this Exhibit A shall be governed by the Federal Arbitration Act (9 U.S.C. Secs. 1-16).

10. **Additional Remedies.** These procedures shall not (a) preclude a Party from seeking injunctive relief or other provisional remedies in aid of arbitration from a court of appropriate jurisdiction. For purposes of the foregoing, but without limiting any of the preceding subsections of these procedures, the Participating Insurers irrevocably consent to the exclusive jurisdiction of the courts of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, with respect to any proceeding arising from the Term Sheet or involving these procedures and waive any defense of forum non conveniens in connection with any such proceeding.

Exhibit D

Exhibit D

PCT Effective Date Payment

Creditor Class	Description	2021. Sep
Class 2-A	Citizens Bank	
Class 2-B	Pawnee Leasing	
Class 2-C	Sallyport	
Class 2-D	Virgin Mobile	
Class 3-A	Unsecured -Critical Vendors	
Class 3-B	General Unsecured Claims	272,672
	Convenience Class	43,077
Class 3-C	Petitioning Creditors	812,659
Class 3-D	Subsidiaries	71,592
Class 3-E	SY	
	Sub Total	\$ 1,200,000

EZ Conn Settlement payment

\$ 1,850,000

Administrative Cost-Legal	(Estimated) Description	Payment
Sacks Tierney	Debtor's Counsel	160,000
Perkins Coie LLP	Debtor's Counsel	550,000
Stinson LLP	Debtor's Counsel	275,000
Keegan Linscott & Associates	Financial Advisor	100,000
TBD	Creditor Committee Plan Agent	35,000
Wilenchick & Bartness	Special Counsel	80,000
Allen Barnes & Jones	Committee Counsel	175,000
	Sub Total	\$ 1,375,000

Vendors

DSC	2,100,000
Other	300,000
Sub Total:	\$ 2,400,000

Total Payment: \$ 6,825,000

Funds

Equity Contribution	2,000,000
Liquidity Line	4,950,000
Total Cash available:	\$ 6,950,000

Exhibit E

Exhibit E

Andes/PCT Payment Plan

2021

Vendor Class	Description	Balance	Jul	Aug	Sep (effective date)	Oct	Nov	Dec	2021	Q1	Q2	Q3	Q4
Class 2-A	Citizens Bank	10,900						602	602	-	-	-	602
Class 2-B	Pawnee Leasing	3,053						169	169	-	-	-	169
Class 2-C	Sallyport	65,679						8,556	8,556	-	-	-	8,556
Class 2-D	Virgin Media	738,814						200,000	200,000	-	-	-	200,000
Class 3-A	Unsecured -Critical Vendo	750,000						63,225	63,225	-	-	-	63,225
Class 3-B	General Unsecured Claims	7,617,483			410,172			87,500	497,672	-	-	410,172	87,500
		43,077			43,077				43,077	-	-		
Class 3-C	Petitioning Creditors	22,702,771			812,659			75,000	887,659	-	-	812,659	75,000
					1,850,000				1,850,000			1,850,000	
Class 3-D	Subsidiaries	2,000,000			71,591			-	71,591	-	-	71,591	-
Class 3-E	SY	2,221,706							-	-	-	-	-
		\$ 36,153,483	\$ -	\$ -	\$ 3,187,500	\$ -	\$ -	\$ 435,052	\$ 3,622,552	\$ -	\$ -	\$ 3,187,500	\$ 435,052

These projections assume that the Allowed Claim of the Petitioning Creditors in Class 3-C will be paid in full over the term of the Plan.

Pursuant to the PC Settlement, the Debtors have the option to pay the Petitioning Creditors' claim early at substantial discount.

Andes/PCT Payment Plan						
2022						
Vendor Class	Description	2022	Q1	Q2	Q3	Q4
Class 2-A	Citizens Bank	2,408	602	602	602	602
Class 2-B	Pawnee Leasing	676	169	169	169	169
Class 2-C	Sallyport	34,225	8,556	8,556	8,556	8,556
Class 2-D	Virgin Media	538,814	200,000	200,000	138,814	-
Class 3-A	Unsecured -Critical Vendors	252,900	63,225	63,225	63,225	63,225
Class 3-B	General Unsecured Claims	650,000	162,500	162,500	162,500	162,500
		-				
Class 3-C	Petitioning Creditors	420,681	104,836	104,836	115,039	95,969
Class 3-D	Subsidiaries	39,387	10,111	10,111	11,095	8,069
Class 3-E	SY	-	-	-	-	-
		\$ 1,939,091	\$ 550,000	\$ 550,000	\$ 500,000	\$ 339,091

Andes/PCT Payment Plan						
2023						
Vendor Class	Description	2023	Q1	Q2	Q3	Q4
Class 2-A	Citizens Bank	2,408	602	602	602	602
Class 2-B	Pawnee Leasing	676	169	169	169	169
Class 2-C	Sallyport	22,898	5,785	5,785	11,328	-
Class 2-D	Virgin Media	-	-	-	-	-
Class 3-A	Unsecured -Critical Vendors	252,900	63,225	63,225	63,225	63,225
Class 3-B	General Unsecured Claims	750,000	162,500	162,500	212,500	212,500
		-				
Class 3-C	Petitioning Creditors	1,356,271	244,157	244,157	467,098	400,860
Class 3-D	Subsidiaries	125,847	23,562	23,562	45,078	33,645
Class 3-E	SY	-	-	-	-	-
		\$ 2,511,001	\$ 500,000	\$ 500,000	\$ 800,000	\$ 711,001

Andes/PCT Payment Plan						
2024						
Vendor Class	Description	2024	Q1	Q2	Q3	Q4
Class 2-A	Citizens Bank	2,408	602	602	602	602
Class 2-B	Pawnee Leasing	676	169	169	169	169
Class 2-C	Sallyport	-	-	-	-	-
Class 2-D	Virgin Media	-	-	-	-	-
Class 3-A	Unsecured -Critical Vendors	180,975	63,225	117,750	-	-
Class 3-B	General Unsecured Claims	1,000,000	212,500	212,500	287,500	287,500
		-				
Class 3-C	Petitioning Creditors	1,796,074	203,784	154,070	648,932	789,288
Class 3-D	Subsidiaries	163,822	19,720	14,909	62,797	66,396
Class 3-E	SY	-	-	-	-	-
		\$ 3,143,955	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 1,143,955

Andes/PCT Payment Plan						
2025						
Vendor Class	Description	2025	Q1	Q2	Q3	Q4
Class 2-A	Citizens Bank	2,472	602	602	602	666
Class 2-B	Pawnee Leasing	856	169	169	169	349
Class 2-C	Sallyport	-	-	-	-	-
Class 2-D	Virgin Media	-	-	-	-	-
Class 3-A	Unsecured -Critical Vendors	-	-	-	-	-
Class 3-B	General Unsecured Claims	893,344	187,500	205,844	250,000	250,000
		-				
Class 3-C	Petitioning Creditors	2,528,428	284,078	723,010	682,771	838,569
Class 3-D	Subsidiaries	235,299	27,651	70,375	66,458	70,815
Class 3-E	SY	-	-	-	-	-
		\$ 3,660,398	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,160,398

Andes/PCT Payment Plan						
2026						
Vendor Class	Description	2026	Q1	Q2	Q3	Q4
Class 2-A	Citizens Bank	64	64	-	-	-
Class 2-B	Pawnee Leasing	-	-	-	-	-
Class 2-C	Sallyport	-	-	-	-	-
Class 2-D	Virgin Media	-	-	-	-	-
Class 3-A	Unsecured -Critical Vendors	-	-	-	-	-
Class 3-B	General Unsecured Claims	1, 164, 469	303, 916	305, 236	305, 317	250, 000
		-				
Class 3-C	Petitioning Creditors	4, 135, 373	1, 089, 231	1, 088, 087	1, 088, 014	870, 041
Class 3-D	Subsidiaries	393, 466	106, 789	106, 676	106, 669	73, 331
Class 3-E	SY	-	-	-	-	-
		\$ 5, 693, 372	\$ 1, 500, 000	\$ 1, 500, 000	\$ 1, 500, 000	\$ 1, 193, 372

Andes/PCT Payment Plan						
2027						
Vendor Class	Description	2027	Q1	Q2	Q3	Q4
Class 2-A	Citizens Bank	-	-	-	-	-
Class 2-B	Pawnee Leasing	-	-	-	-	-
Class 2-C	Sallyport	-	-	-	-	-
Class 2-D	Virgin Media	-	-	-	-	-
Class 3-A	Unsecured -Critical Vendors	-	-	-	-	-
Class 3-B	General Unsecured Claims	1,264,252	303,306	304,645	406,301	250,000
		-				
Class 3-C	Petitioning Creditors	4,543,781	1,088,805	1,087,588	1,593,699	773,689
Class 3-D	Subsidiaries	215,656	107,889	107,768	-	-
Class 3-E	SY	-	-	-	-	-
		\$ 6,023,689	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 1,023,689

Andes/PCT Payment Plan						
2028						
Vendor Class	Description	2028	Q1	Q2	Q3	Q4
Class 2-A	Citizens Bank	-	-	-	-	-
Class 2-B	Pawnee Leasing	-	-	-	-	-
Class 2-C	Sallyport	-	-	-	-	-
Class 2-D	Virgin Media	-	-	-	-	-
Class 3-A	Unsecured -Critical Vendors	-	-	-	-	-
Class 3-B	General Unsecured Claims	1, 235, 902	327, 651	329, 125	329, 126	250, 000
		-				
Class 3-C	Petitioning Creditors	4, 226, 518	1, 172, 349	1, 170, 875	1, 170, 874	712, 420
Class 3-D	Subsidiaries	-	-	-	-	-
Class 3-E	SY	-	-	-	-	-
		\$ 5, 462, 420	\$ 1, 500, 000	\$ 1, 500, 000	\$ 1, 500, 000	\$ 962, 420

Andes/PCT Payment Plan						
2029						
Vendor Class	Description	2029	Q1	Q2	Q3	Q4
Class 2-A	Citizens Bank	-	-	-	-	-
Class 2-B	Pawnee Leasing	-	-	-	-	-
Class 2-C	Sallyport	-	-	-	-	-
Class 2-D	Virgin Media	-	-	-	-	-
Class 3-A	Unsecured -Critical Vendors	-	-	-	-	-
Class 3-B	General Unsecured Claims	768,429	562,079	206,350	-	-
		-				
Class 3-C	Petitioning Creditors	2,935,334	937,921	944,238	1,000,000	53,175
Class 3-D	Subsidiaries	-	-	-	-	-
Class 3-E	SY	-	-	-	-	-
		\$ 3,703,763	\$ 1,500,000	\$ 1,150,588	\$ 1,000,000	\$ 53,175

Andes/PCT Payment Plan						
2030						
Vendor Class	Description	2030	Q1	Q2	Q3	Q4
Class 2-A	Citizens Bank	-	-	-	-	-
Class 2-B	Pawnee Leasing	-	-	-	-	-
Class 2-C	Sallyport	-	-	-	-	-
Class 2-D	Virgin Media	-	-	-	-	-
Class 3-A	Unsecured -Critical Vendors	-	-	-	-	-
Class 3-B	General Unsecured Claims	-	-	-	-	-
		-				
Class 3-C	Petitioning Creditors	-	-	-	-	-
Class 3-D	Subsidiaries	1,076,882	1,076,882	-	-	-
Class 3-E	SY	2,619,019	-	2,619,019	-	-
		\$ 3,695,901	\$ 1,076,882	\$ 2,619,019	\$ -	\$ -

Andes/PCT International, Inc														
(Currency: '000 USD)														
2021 Cash Budget FCST														
	Actual Jan	Actual Feb	Actual Mar	Actual Apr	FCST May	FCST June	FCST Jul	FCST Aug	FCST Sep	FCST Oct	FCST Nov	FCST Dec	FY2021	
Beginning Balance before Contribution	213	88	39	263	37	122	53	3,033	3,425	3,626	3,553	3,975	213	
CASH FLOW FROM OPERATING ACTIVITIES														
Sales related receiving														
AR Financing	428	629	559	780	1,000	900	1,200	1,440	1,420	1,620	1,620	1,600	13,196	
Non Financed AR	184	127	231	72					200			200		
Pre-pay	-			-	-	-	-	-	-	-	-	-		
DSC Licensing Fee														
DSC Profit Sharing														
Total cash Receipts	612	756	790	852	1,000	900	1,200	1,440	1,620	1,620	1,620	1,800	13,196	
Cash Outflow														
Invnetory payment (including AP changes)	90	85	35	227	300	300	2,500	1,000	1,000	1,000	1,000	1,000	12,016	
Freight & Duty/storage	144	184	105	216	90	90	150	150	150	160	160	160	952	
Total Product Cost	234	269	140	443	390	390	2,650	1,150	1,150	1,160	1,160	1,160	12,968	
General and Administrative														
Payroll -PCTI	318	307	256	428	300	300	300	300	300	300	300	300	4,045	
Payroll -Asia				35	30	30	30	30	30	30	30	30	504	
Travel & Meals			5	5	5	5	5	5	5	5	5	5	58	
Insurance	4	98	35	40	22	22	22	22	22	22	22	22	264	
Legal/Auditing/Consulting	25			7	7	7	7	7	7	7	7	7	275	
ERP/IT System/data	14	14	14	14	14	14	14	14	14	14	14	14	164	
Facility (rent, utility, maintenance, prepay)	25	25	25	25	25	25	25	25	25	25	25	25	240	
Trade Show/promotion					8	8	8	8	8	8	8	8	100	
Other	16	5	5	21	20	20	20	20	20	20	20	20	243	
Total G&A	402	449	340	575	431	431	431	431	431	431	431	431	5,893	
Net cash provided/(used) by operating activities	(24)	38	310	(166)	179	79	(1,881)	(141)	39	29	29	209	(1,300)	
CASH FLOW FROM FINANCING/EQUITY ACTIVITIES														
Net (repayments) borrowings on current Financing facility									300		500		800	
New Financing Equity							4,950	2,000					2,000	
PPP Loan payment if adverse ruling on appeal														
Interest	62	67	86	61	69	83	89	92	97	102	107	107	1,022	
Other														
Net cash provided/(used)in financing/equity activities	(62)	(67)	(86)	(61)	(69)	(83)	4,861	1,908	203	(102)	393	(107)	6,728	
CASH FLOWS FROM INVESTING/OTHER ACTIVITIES														
Proceeds from sale of property and equipment														
Purchases of property and equipment														
Trustee fees		20				40			40			40	140	
Bankruptcy Legal/Professional Fees	40				25	25	-	1,375					1,465	
Net cash provided (used) in investing/other activities	(40)	(20)	-	-	(25)	(65)	-	(1,375)	(40)	-	-	(40)	(1,605)	
Net Cash Provided (used)	(126)	(49)	224	(226)	85	(69)	2,980	392	202	(73)	422	62	3,824	
Ending Cash balance before payment plan	88	39	263	37	122	53	3,033	3,425	3,626	3,553	3,975	4,037	4,037	
Contribute to CH11 Plan									1,338			435	1,773	
Settlement payment									1,850				1,850	
End Bal.	88	39	263	37	122	53	3,033	3,425	439	366	788	414	414	

Andes/PCT International, Inc														
(Currency: '000 USD)														
2022 Cash Budget FCST														
	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FY2022
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec		
Beginning Balance before Contribution	414	402	878	853	1,223	1,244	1,264	2,031	2,198	2,364	3,115	3,317	414	
CASH FLOW FROM OPERATING ACTIVITIES														
Sales related receiving														
AR Financing	2,265	2,265	2,265	2,399	2,399	2,399	2,932	2,932	2,932	3,065	3,065	3,065	31,982	
Non Financed AR	384	384	384	407	407	407	497	497	497	520	520	520	5,424	
Pre-pay	-	-	-	-	-	-	-	-	-	-	-	-	-	
DSC Licensing Fee	106	106	106	113	113	113	138	138	138	144	144	144	1,500	
DSC Profit Sharing	89	89	89	94	94	94	115	115	115	120	120	120	1,250	
Total cash Receipts	2,844	2,844	2,844	3,012	3,012	3,012	3,681	3,681	3,681	3,848	3,848	3,848	40,156	
Cash Outflow														
Inventory payment (including AP changes)	2,072	2,072	2,072	2,194	2,194	2,194	2,682	2,682	2,682	2,804	2,804	2,804	29,256	
Freight & Duty/storage	148	148	148	157	157	157	191	191	191	200	200	200	2,087	
Total Product Cost	2,220	2,220	2,220	2,351	2,351	2,351	2,873	2,873	2,873	3,004	3,004	3,004	31,343	
General and Administrative														
Payroll -PCTI	399	399	399	399	399	399	399	399	399	399	399	399	4,783	
Payroll -Asia	42	42	42	42	42	42	42	42	42	42	42	42	504	
Travel & Meals	6	6	6	6	6	6	6	6	6	6	6	6	72	
Insurance	24	24	24	24	24	24	24	24	24	24	24	24	290	
Legal/Auditing/Consulting	23	23	23	23	23	23	23	23	23	23	23	23	282	
ERP/IT System/data	14	14	14	14	14	14	14	14	14	14	14	14	167	
Facility (rent, utility, maintenance, prepay)	20	20	20	20	20	20	20	20	20	20	20	20	240	
Trade Show/promotion	8	8	8	8	8	8	8	8	8	8	8	8	100	
Other	8	8	8	8	8	8	8	8	8	8	8	8	96	
Total G&A	544	544	544	544	544	544	544	544	544	544	544	544	6,534	
Net cash provided/(used) by operating activities	80	80	80	117	117	117	263	263	263	300	300	300	2,280	
CASH FLOW FROM FINANCING/EQUITY ACTIVITIES														
Net (repayments) borrowings on current Financing facility	-	500	-	350	-	-	600	-	-	550	-	-	2,000	
New Financing													-	
Equity														
PPP Loan														
Interest	88	100	100	92	92	92	93	93	93	95	95	95	1,126	
Other														
Net cash provided/(used)in financing/equity activities	(88)	400	(100)	258	(92)	(92)	507	(93)	(93)	455	(95)	(95)	874	
CASH FLOWS FROM INVESTING/OTHER ACTIVITIES														
Proceeds from sale of property and equipment														
Purchases of property and equipment														
Trustee fees	-	-	-	-	-	-	-	-	-	-	-	-		
Bankruptcy Legal/Professional Fees	4	4	4	4	4	4	4	4	4	4	4	4	50	
Net cash provided (used) in investing/other activities	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(50)	
Net Cash Provided (used)	(12)	475	(25)	371	21	21	767	167	167	751	201	201	3,104	
Ending Cash balance before payment plan	402	878	853	1,223	1,244	1,264	2,031	2,198	2,364	3,115	3,317	3,518	3,518	
Contribute to CH11 Plan			550			550			500			339	1,939	
Settlement payment													-	
End Bal.	402	878	303	673	694	164	931	1,098	764	1,515	1,717	1,579	1,579	

Andes/PCT International, Inc													
(Currency: '000 USD)													
2023 Cash Budget FCST													
	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	FY2023
Beginning Balance before Contribution	1,579	1,525	1,471	2,418	2,394	2,370	2,346	2,609	3,022	3,633	3,777	3,921	1,579
CASH FLOW FROM OPERATING ACTIVITIES													
Sales related receiving													
AR Financing	3,047	3,047	3,047	3,226	3,226	3,226	3,943	3,943	3,943	4,122	4,122	4,122	43,017
Non Financed AR	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-pay	-	-	-	-	-	-	-	-	-	-	-	-	-
DSC Licensing Fee	122	122	122	129	129	129	158	158	158	165	165	165	1,725
DSC Profit Sharing	102	102	102	108	108	108	132	132	132	138	138	138	1,438
Total cash Receipts	3,271	3,271	3,271	3,463	3,463	3,463	4,233	4,233	4,233	4,426	4,426	4,426	46,180
Cash Outflow													
Inventory payment (including AP changes)	2,496	2,496	2,496	2,642	2,642	2,642	3,230	2,930	3,230	3,376	3,376	3,376	35,231
Freight & Duty/storage	170	170	170	180	180	180	220	220	220	230	230	230	2,400
Total Product Cost	2,666	2,666	2,666	2,822	2,822	2,822	3,450	3,150	3,450	3,606	3,606	3,606	37,631
General and Administrative													
Payroll -PCTI	446	446	446	446	446	446	446	446	446	446	446	446	5,355
Payroll -Asia	45	45	45	45	45	45	45	45	45	45	45	45	546
Travel & Meals	7	7	7	7	7	7	7	7	7	7	7	7	83
Insurance	27	27	27	27	27	27	27	27	27	27	27	27	319
Legal/Auditing/Consulting	24	24	24	24	24	24	24	24	24	24	24	24	289
ERP/IT System/data	15	15	15	15	15	15	15	15	15	15	15	15	183
prepay)	20	20	20	20	20	20	20	20	20	20	20	20	240
Trade Show/promotion	10	10	10	10	10	10	10	10	10	10	10	10	115
Other	8	8	8	8	8	8	8	8	8	8	8	8	100
Total G&A	603	603	603	603	603	603	603	603	603	603	603	603	7,231
Net cash provided/(used) by operating activities	3	3	3	39	39	39	181	481	181	217	217	217	1,618
CASH FLOW FROM FINANCING/EQUITY													
Net (repayments) borrowings on current Financing facility		-	-		-	-	1,000	-	500		-	500	2,000
Equity			1,000										1,000
PPP Loan							(847)						(847)
Interest	53	53	53	58	58	58	67	63	67	68	68	68	734
Other													
Net cash provided/(used)in financing/equity activities	(53)	(53)	947	(58)	(58)	(58)	86	(63)	433	(68)	(68)	432	1,419
CASH FLOWS FROM INVESTING/OTHER ACTIVITIES													
Proceeds from sale of property and equipment													
Purchases of property and equipment													
Trustee fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Bankruptcy Legal/Professional Fees	4	4	4	4	4	4	4	4	4	4	4	4	50
Net cash provided (used) in investing/other act	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(50)
Net Cash Provided (used)	(54)	(54)	946	(24)	(24)	(24)	263	414	610	144	144	644	2,986
Ending Cash balance before payment plan	1,525	1,471	2,418	2,394	2,370	2,346	2,609	3,022	3,633	3,777	3,921	4,565	4,565
Contribute to CH11 Plan			500			500			800			711	2,511
End Bal.	1,525	1,471	1,918	1,894	1,870	1,346	1,609	2,022	1,833	1,977	2,121	2,054	2,054

Andes/PCT International, Inc														
(Currency: '000 USD)														
2024 Cash Budget FCST														
	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FY2024
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec		
Beginning Balance before Contribution	2,054	2,006	1,957	2,408	2,394	2,380	2,366	3,508	3,651	3,794	4,475	4,656	2,054	
CASH FLOW FROM OPERATING ACTIVITIES														
Sales related receiving														
AR Financing	3,399	3,399	3,399	3,599	3,599	3,599	4,399	4,399	4,399	4,599	4,599	4,599	47,986	
Non Financed AR	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pre-pay	-	-	-	-	-	-	-	-	-	-	-	-	-	
DSC Licensing Fee	141	141	141	149	149	149	182	182	182	190	190	190	1,984	
DSC Profit Sharing	117	117	117	124	124	124	152	152	152	158	158	158	1,653	
Total cash Receipts	3,657	3,657	3,657	3,872	3,872	3,872	4,732	4,732	4,732	4,947	4,947	4,947	51,623	
Cash Outflow														
Inventory payment (including AP changes)	2,765	2,765	2,765	2,928	2,928	2,928	3,578	3,578	3,578	3,741	3,741	3,741	39,035	
Freight & Duty/storage	190	190	190	201	201	201	245	245	245	257	257	257	2,677	
Total Product Cost	2,955	2,955	2,955	3,128	3,128	3,128	3,824	3,824	3,824	3,997	3,997	3,997	41,712	
General and Administrative														
Payroll -PCTI	502	502	502	502	502	502	502	502	502	502	502	502	6,028	
Payroll -Asia	48	48	48	48	48	48	48	48	48	48	48	48	580	
Travel & Meals	8	8	8	8	8	8	8	8	8	8	8	8	96	
Insurance	29	29	29	29	29	29	29	29	29	29	29	29	351	
Legal/Auditing/Consulting	25	25	25	25	25	25	25	25	25	25	25	25	297	
ERP/IT System/data	16	16	16	16	16	16	16	16	16	16	16	16	193	
prepay)	30	30	30	30	30	30	30	30	30	30	30	30	360	
Trade Show/promotion	11	11	11	11	11	11	11	11	11	11	11	11	132	
Other	9	9	9	9	9	9	9	9	9	9	9	9	104	
Total G&A	678	678	678	678	678	678	678	678	678	678	678	678	8,141	
Net cash provided/(used) by operating activities	24	24	24	65	65	65	230	230	230	271	271	271	1,769	
CASH FLOW FROM FINANCING/EQUITY														
Net (repayments) borrowings on current Financing facility		-	500		-	-	1,000	-	-	500	-	-	2,000	
Equity													-	
Interest	68	68	68	75	75	75	83	83	83	86	86	86	937	
Other														
Net cash provided/(used)in financing/equity activities	(68)	(68)	432	(75)	(75)	(75)	917	(83)	(83)	414	(86)	(86)	1,063	
CASH FLOWS FROM INVESTING/OTHER ACTIVITIES														
Proceeds from sale of property and equipment														
Purchases of property and equipment														
Trustee fees	-	-	-	-	-	-	-	-	-	-	-	-		
Bankruptcy Legal/Professional Fees	4	4	4	4	4	4	4	4	4	4	4	4	50	
Net cash provided (used) in investing/other act	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(50)	
Net Cash Provided (used)	(49)	(49)	451	(14)	(14)	(14)	1,143	143	143	681	181	181	2,782	
Ending Cash balance before payment plan	2,006	1,957	2,408	2,394	2,380	2,366	3,508	3,651	3,794	4,475	4,656	4,837	4,837	
Contribute to CH11 Plan			500			500			1,000			1,144	3,144	
End Bal.	2,006	1,957	1,908	1,894	1,880	1,366	2,508	2,651	1,794	2,475	2,656	1,693	1,693	

Andes/PCT International, Inc														
(Currency: '000 USD)														
2025 Cash Budget FCST														
	FCST Jan	FCST Feb	FCST Mar	FCST Apr	FCST May	FCST June	FCST Jul	FCST Aug	FCST Sep	FCST Oct	FCST Nov	FCST Dec	FY2025	
Beginning Balance before Contribution	1,693	1,715	1,737	1,758	2,324	2,389	2,454	4,209	4,463	4,718	5,023	5,327	1,693	
CASH FLOW FROM OPERATING ACTIVITIES														
Sales related receiving														
AR Financing	3,792	3,792	3,792	4,015	4,015	4,015	4,907	4,907	4,907	5,130	5,130	5,130	53,528	
Non Financed AR	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pre-pay	-	-	-	-	-	-	-	-	-	-	-	-	-	
DSC Licensing Fee	162	162	162	171	171	171	209	209	209	219	219	219	2,281	
DSC Profit Sharing	135	135	135	143	143	143	174	174	174	182	182	182	1,901	
Total cash Receipts	4,088	4,088	4,088	4,328	4,328	4,328	5,290	5,290	5,290	5,531	5,531	5,531	57,710	
Cash Outflow														
Inventory payment (including AP changes)	3,017	3,017	3,017	3,195	3,195	3,195	3,905	3,905	3,905	4,082	4,082	4,082	42,598	
Freight & Duty/storage	212	212	212	224	224	224	274	274	274	286	286	286	2,986	
Total Product Cost	3,229	3,229	3,229	3,419	3,419	3,419	4,179	4,179	4,179	4,369	4,369	4,369	45,584	
General and Administrative														
Payroll -PCTI	562	562	562	562	562	562	562	562	562	562	562	562	6,742	
Payroll -Asia	51	51	51	51	51	51	51	51	51	51	51	51	607	
Travel & Meals	9	9	9	9	9	9	9	9	9	9	9	9	110	
Insurance	31	31	31	31	31	31	31	31	31	31	31	31	367	
Legal/Auditing/Consulting	25	25	25	25	25	25	25	25	25	25	25	25	305	
ERP/IT System/data	17	17	17	17	17	17	17	17	17	17	17	17	203	
Trade Show/promotion	13	13	13	13	13	13	13	13	13	13	13	13	152	
Other	10	10	10	10	10	10	10	10	10	10	10	10	115	
Total G&A	747	747	747	747	747	747	747	747	747	747	747	747	8,962	
Net cash provided/(used) by operating activities	112	112	112	163	163	163	365	365	365	415	415	415	3,164	
CASH FLOW FROM FINANCING/EQUITY														
Net (repayments) borrowings on current Financing facility		-	-	500	-	-	1,500	-	-	-	-	-	2,000	
Equity													-	
Interest	86	86	86	93	93	93	106	106	106	107	107	107	1,176	
Other														
Net cash provided/(used)in financing/equity activities	(86)	(86)	(86)	407	(93)	(93)	1,394	(106)	(106)	(107)	(107)	(107)	824	
CASH FLOWS FROM INVESTING/OTHER ACTIVITIES														
Proceeds from sale of property and equipment														
Purchases of property and equipment														
Trustee fees	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bankruptcy Legal/Professional Fees	4	4	4	4	4	4	4	4	4	4	4	4	50	
Net cash provided (used) in investing/other act	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(50)	
Net Cash Provided (used)	22	22	22	565	65	65	1,755	255	255	304	304	304	3,938	
Ending Cash balance before payment plan	1,715	1,737	1,758	2,324	2,389	2,454	4,209	4,463	4,718	5,023	5,327	5,631	5,631	
Contribute to CH11 Plan			500			1,000			1,000			1,160	3,660	
End Bal.	1,715	1,737	1,258	1,824	1,889	954	2,709	2,963	2,218	2,523	2,827	1,971	1,971	

Andes/PCT International, Inc														
(Currency: '000 USD)														
2026 Cash Budget FCST														
	FCST Jan	FCST Feb	FCST Mar	FCST Apr	FCST May	FCST June	FCST Jul	FCST Aug	FCST Sep	FCST Oct	FCST Nov	FCST Dec	FY2026	
Beginning Balance before Contribution	1,971	2,234	2,496	2,759	3,092	3,425	3,757	4,371	4,984	6,094	6,774	7,453	1,971	
CASH FLOW FROM OPERATING ACTIVITIES														
Sales related receiving														
AR Financing	4,247	4,247	4,247	4,496	4,496	4,496	5,496	5,496	5,496	5,745	5,745	5,745	59,951	
Non Financed AR	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pre-pay	-	-	-	-	-	-	-	-	-	-	-	-	-	
DSC Licensing Fee	181	181	181	192	192	192	234	234	234	245	245	245	2,555	
DSC Profit Sharing	151	151	151	160	160	160	195	195	195	204	204	204	2,129	
Total cash Receipts	4,578	4,578	4,578	4,848	4,848	4,848	5,925	5,925	5,925	6,194	6,194	6,194	64,636	
Cash Outflow														
Inventory payment (including AP changes)	3,150	3,150	3,150	3,335	3,335	3,335	4,076	4,076	4,076	4,261	4,261	4,261	44,468	
Freight & Duty/storage	237	237	237	251	251	251	307	307	307	321	321	321	3,345	
Total Product Cost	3,387	3,387	3,387	3,586	3,586	3,586	4,383	4,383	4,383	4,582	4,582	4,582	47,812	
General and Administrative														
Payroll -PCTI	624	624	624	624	624	624	624	624	624	624	624	624	7,488	
Payroll -Asia	53	53	53	53	53	53	53	53	53	53	53	53	638	
Travel & Meals	10	10	10	10	10	10	10	10	10	10	10	10	123	
Insurance	32	32	32	32	32	32	32	32	32	32	32	32	384	
Legal/Auditing/Consulting	26	26	26	26	26	26	26	26	26	26	26	26	314	
ERP/IT System/data	18	18	18	18	18	18	18	18	18	18	18	18	214	
prepay)	30	30	30	30	30	30	30	30	30	30	30	30	360	
Trade Show/promotion	14	14	14	14	14	14	14	14	14	14	14	14	170	
Other	10	10	10	10	10	10	10	10	10	10	10	10	126	
Total G&A	818	818	818	818	818	818	818	818	818	818	818	818	9,818	
Net cash provided/(used) by operating activities	374	374	374	444	444	444	724	724	724	794	794	794	7,006	
CASH FLOW FROM FINANCING/EQUITY														
Net (repayments) borrowings on current Financing facility		-	-	-	-	-	-	-	500	-	-	-	500	
Equity													-	
Interest	107	107	107	107	107	107	107	107	110	110	110	110	1,293	
Other														
Net cash provided/(used)in financing/equity activities	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	390	(110)	(110)	(110)	(793)	
CASH FLOWS FROM INVESTING/OTHER ACTIVITIES														
Proceeds from sale of property and equipment														
Purchases of property and equipment														
Trustee fees	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bankruptcy Legal/Professional Fees	4	4	4	4	4	4	4	4	4	4	4	4	50	
Net cash provided (used) in investing/other act	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(50)	
Net Cash Provided (used)	263	263	263	333	333	333	613	613	1,110	680	680	680	6,162	
Ending Cash balance before payment plan	2,234	2,496	2,759	3,092	3,425	3,757	4,371	4,984	6,094	6,774	7,453	8,133	8,133	
Contribute to CH11 Plan			1,500			1,500			1,500			1,193	5,693	
End Bal.	2,234	2,496	1,259	1,592	1,925	757	1,371	1,984	1,594	2,274	2,953	2,440	2,440	

Andes/PCT International, Inc														
(Currency: '000 USD)														
2027 Cash Budget FCST														
	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FY2027
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec		
Beginning Balance	2,440	2,729	3,018	3,306	3,670	4,034	4,398	5,062	5,725	6,389	7,128	7,867	2,440	
CASH FLOW FROM OPERATING ACTIVITIES														
Sales related receiving														
AR Financing	4,671	4,671	4,671	4,946	4,946	4,946	6,045	6,045	6,045	6,320	6,320	6,320	65,947	
Non Financed AR	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pre-pay	-	-	-	-	-	-	-	-	-	-	-	-	-	
DSC Licensing Fee	199	199	199	211	211	211	258	258	258	269	269	269	2,811	
DSC Profit Sharing	166	166	166	176	176	176	215	215	215	224	224	224	2,342	
Total cash Receipts	5,036	5,036	5,036	5,332	5,332	5,332	6,517	6,517	6,517	6,814	6,814	6,814	71,099	
Cash Outflow														
Inventory payment (including AP changes)	3,501	3,501	3,501	3,707	3,707	3,707	4,531	4,531	4,531	4,736	4,736	4,736	49,424	
Freight & Duty/storage	261	261	261	276	276	276	337	337	337	353	353	353	3,679	
Total Product Cost	3,761	3,761	3,761	3,983	3,983	3,983	4,868	4,868	4,868	5,089	5,089	5,089	53,103	
General and Administrative														
Payroll -PCTI	669	669	669	669	669	669	669	669	669	669	669	669	8,028	
Payroll -Asia	55	55	55	55	55	55	55	55	55	55	55	55	662	
Travel & Meals	11	11	11	11	11	11	11	11	11	11	11	11	136	
Insurance	33	33	33	33	33	33	33	33	33	33	33	33	401	
Legal/Auditing/Consulting	27	27	27	27	27	27	27	27	27	27	27	27	323	
ERP/IT System/data	19	19	19	19	19	19	19	19	19	19	19	19	226	
Trade Show/promotion	30	30	30	30	30	30	30	30	30	30	30	30	360	
Other	16	16	16	16	16	16	16	16	16	16	16	16	187	
Total G&A	872	872	872	872	872	872	872	872	872	872	872	872	10,461	
Net cash provided/(used) by operating activities	403	403	403	478	478	478	778	778	778	853	853	853	7,535	
CASH FLOW FROM FINANCING/EQUITY														
Net (repayments) borrowings on current Financing facility		-	-	-	-	-	-	-	-	-	-	-		
Equity														
Interest	110	110	110	110	110	110	110	110	110	110	110	110	1,320	
Other														
Net cash provided/(used)in financing/equity activities	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(1,320)	
CASH FLOWS FROM INVESTING/OTHER ACTIVITIES														
Proceeds from sale of property and equipment														
Purchases of property and equipment														
Trustee fees	-	-	-	-	-	-	-	-	-	-	-	-		
Bankruptcy Legal/Professional Fees	4	4	4	4	4	4	4	4	4	4	4	4	50	
Net cash provided (used) in investing/other act	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(50)	
Net Cash Provided (used)	289	289	289	364	364	364	664	664	664	739	739	739	6,165	
Ending Cash balance before payment plan	2,729	3,018	3,306	3,670	4,034	4,398	5,062	5,725	6,389	7,128	7,867	8,605	8,605	
Contribute to CH11 Plan			1,500			1,500			2,000			1,024	6,024	
End Bal.	2,729	3,018	1,806	2,170	2,534	1,398	2,062	2,725	1,389	2,128	2,867	2,582	2,582	

Andes/PCT International, Inc														
(Currency: '000 USD)														
2028 Cash Budget FCST														
	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	FY2028	
Beginning Balance	2,582	2,794	3,007	3,220	3,507	3,794	4,081	4,664	5,248	5,831	6,489	7,146	2,582	
CASH FLOW FROM OPERATING ACTIVITIES														
Sales related receiving														
AR Financing	5,045	5,045	5,045	5,342	5,342	5,342	6,529	6,529	6,529	6,825	6,825	6,825	71,222	
Non Financed AR	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pre-pay	-	-	-	-	-	-	-	-	-	-	-	-	-	
DSC Licensing Fee	215	215	215	228	228	228	278	278	278	291	291	291	3,035	
DSC Profit Sharing	179	179	179	190	190	190	232	232	232	242	242	242	2,530	
Total cash Receipts	5,439	5,439	5,439	5,759	5,759	5,759	7,039	7,039	7,039	7,359	7,359	7,359	76,787	
Cash Outflow														
Inventory payment (including AP changes)	3,898	3,898	3,898	4,127	4,127	4,127	5,044	5,044	5,044	5,274	5,274	5,274	55,029	
Freight & Duty/storage	281	281	281	298	298	298	364	364	364	381	381	381	3,973	
Total Product Cost	4,179	4,179	4,179	4,425	4,425	4,425	5,409	5,409	5,409	5,654	5,654	5,654	59,002	
General and Administrative														
Payroll -PCTI	718	718	718	718	718	718	718	718	718	718	718	718	8,614	
Payroll -Asia	61	61	61	61	61	61	61	61	61	61	61	61	728	
Travel & Meals	12	12	12	12	12	12	12	12	12	12	12	12	147	
Insurance	35	35	35	35	35	35	35	35	35	35	35	35	419	
Legal/Auditing/Consulting	28	28	28	28	28	28	28	28	28	28	28	28	332	
ERP/IT System/data	20	20	20	20	20	20	20	20	20	20	20	20	238	
Trade Show/promotion	30	30	30	30	30	30	30	30	30	30	30	30	360	
Other	17	17	17	17	17	17	17	17	17	17	17	17	202	
Total G&A	933	933	933	933	933	933	933	933	933	933	933	933	11,193	
Net cash provided/(used) by operating activities	327	327	327	401	401	401	698	698	698	772	772	772	6,592	
CASH FLOW FROM FINANCING/EQUITY														
Net (repayments) borrowings on current Financing facility	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity														
Interest	110	110	110	110	110	110	110	110	110	110	110	110	1,320	
Other														
Net cash provided/(used)in financing/equity activities	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(1,320)	
CASH FLOWS FROM INVESTING/OTHER ACTIVITIES														
Proceeds from sale of property and equipment														
Purchases of property and equipment														
Trustee fees	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bankruptcy Legal/Professional Fees	4	4	4	4	4	4	4	4	4	4	4	4	50	
Net cash provided (used) in investing/other act	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(50)	
Net Cash Provided (used)	213	213	213	287	287	287	583	583	583	657	657	657	5,222	
Ending Cash balance before payment plan	2,794	3,007	3,220	3,507	3,794	4,081	4,664	5,248	5,831	6,489	7,146	7,803	7,803	
Contribute to CH11 Plan			1,500			1,500			1,500			962	5,462	
End Bal.	2,794	3,007	1,720	2,007	2,294	1,081	1,664	2,248	1,331	1,989	2,646	2,341	2,341	

Andes/PCT International, Inc														
(Currency: '000 USD)														
2029 Cash Budget FCST														
	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	FY2029	
Beginning Balance before Contribution	2,341	2,582	2,824	3,065	3,385	3,704	4,023	4,654	5,284	5,915	6,623	7,331	2,341	
CASH FLOW FROM OPERATING ACTIVITIES														
Sales related receiving														
AR Financing	5,297	5,297	5,297	5,609	5,609	5,609	6,855	6,855	6,855	7,167	7,167	7,167	74,783	
Non Financed AR	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pre-pay	-	-	-	-	-	-	-	-	-	-	-	-	-	
DSC Licensing Fee	226	226	226	239	239	239	292	292	292	305	305	305	3,187	
DSC Profit Sharing	188	188	188	199	199	199	243	243	243	255	255	255	2,656	
Total cash Receipts	5,711	5,711	5,711	6,047	6,047	6,047	7,391	7,391	7,391	7,727	7,727	7,727	80,627	
Cash Outflow														
Inventory payment (including AP changes)	4,093	4,093	4,093	4,333	4,333	4,333	5,296	5,296	5,296	5,537	5,537	5,537	57,780	
Freight & Duty/storage	296	296	296	313	313	313	382	382	382	400	400	400	4,172	
Total Product Cost	4,388	4,388	4,388	4,646	4,646	4,646	5,679	5,679	5,679	5,937	5,937	5,937	61,952	
General and Administrative														
Payroll -PCTI	741	741	741	741	741	741	741	741	741	741	741	741	8,893	
Payroll -Asia	64	64	64	64	64	64	64	64	64	64	64	64	764	
Travel & Meals	13	13	13	13	13	13	13	13	13	13	13	13	154	
Insurance	38	38	38	38	38	38	38	38	38	38	38	38	461	
Legal/Auditing/Consulting	28	28	28	28	28	28	28	28	28	28	28	28	342	
ERP/IT System/data	21	21	21	21	21	21	21	21	21	21	21	21	251	
Trade Show/promotion	30	30	30	30	30	30	30	30	30	30	30	30	360	
Other	18	18	18	18	18	18	18	18	18	18	18	18	212	
Total G&A	967	967	967	967	967	967	967	967	967	967	967	967	11,606	
Net cash provided/(used) by operating activities	356	356	356	433	433	433	745	745	745	822	822	822	7,068	
CASH FLOW FROM FINANCING/EQUITY														
Net (repayments) borrowings on current Financing facility		-	-	-	-	-	-	-	-	-	-	-	-	
Equity													-	
Interest	110	110	110	110	110	110	110	110	110	110	110	110	1,320	
Other														
Net cash provided/(used)in financing/equity activities	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(1,320)	
CASH FLOWS FROM INVESTING/OTHER ACTIVITIES														
Proceeds from sale of property and equipment														
Purchases of property and equipment														
Trustee fees	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bankruptcy Legal/Professional Fees	4	4	4	4	4	4	4	4	4	4	4	4	50	
Net cash provided (used) in investing/other act	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(50)	
Net Cash Provided (used)	241	241	241	319	319	319	630	630	630	708	708	708	5,698	
Ending Cash balance before payment plan	2,582	2,824	3,065	3,385	3,704	4,023	4,654	5,284	5,915	6,623	7,331	8,040	8,040	
Contribute to CH11 Plan			1,500			1,500			1,000			1,928	5,927.66	
End Bal.	2,582	2,824	1,565	1,885	2,204	1,023	1,654	2,284	1,915	2,623	3,331	2,112	2,112	

Andes/PCT International, Inc														
(Currency: '000 USD)														
2030 Cash Budget FCST														
	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	FY2030	
Beginning Balance before Contribution	2,112	2,377	2,639	2,902	3,245	3,589	3,933	4,604	5,274	5,945	6,697	7,450	2,112	
CASH FLOW FROM OPERATING ACTIVITIES														
Sales related receiving														
AR Financing	5,562	5,562	5,562	5,889	5,889	5,889	7,198	7,198	7,198	7,525	7,525	7,525	78,523	
Non Financed AR	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pre-pay	-	-	-	-	-	-	-	-	-	-	-	-	-	
DSC Licensing Fee	237	237	237	251	251	251	307	307	307	321	321	321	3,347	
DSC Profit Sharing	198	198	198	209	209	209	256	256	256	267	267	267	2,789	
Total cash Receipts	5,997	5,997	5,997	6,349	6,349	6,349	7,760	7,760	7,760	8,113	8,113	8,113	84,658	
Cash Outflow														
Inventory payment (including AP changes)	4,297	4,297	4,297	4,550	4,550	4,550	5,561	5,561	5,561	5,814	5,814	5,814	60,669	
Freight & Duty/storage	310	310	310	329	329	329	402	402	402	420	420	420	4,381	
Total Product Cost	4,608	4,608	4,608	4,879	4,879	4,879	5,963	5,963	5,963	6,234	6,234	6,234	65,050	
General and Administrative														
Payroll -PCTI	772	772	772	772	772	772	772	772	772	772	772	772	9,268	
Payroll -Asia	67	67	67	67	67	67	67	67	67	67	67	67	803	
Travel & Meals	13	13	13	13	13	13	13	13	13	13	13	13	162	
Insurance	42	42	42	42	42	42	42	42	42	42	42	42	507	
Legal/Auditing/Consulting	29	29	29	29	29	29	29	29	29	29	29	29	352	
ERP/IT System/data	22	22	22	22	22	22	22	22	22	22	22	22	265	
Trade Show/promotion	19	19	19	19	19	19	19	19	19	19	19	19	223	
Other	14	14	14	14	14	14	14	14	14	14	14	14	173	
Total G&A	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	12,111	
Net cash provided/(used) by operating activities	380	380	380	461	461	461	788	788	788	870	870	870	7,497	
CASH FLOW FROM FINANCING/EQUITY														
Net (repayments) borrowings on current Financing facility		-	-	-	-	-	-	-	-	-	-	-		
Equity														
Interest	110	113	113	113	113	113	113	113	113	113	113	113	1,357	
Other														
Net cash provided/(used)in financing/equity activities	(110)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(1,357)	
CASH FLOWS FROM INVESTING/OTHER ACTIVITIES														
Proceeds from sale of property and equipment														
Purchases of property and equipment														
Trustee fees	-	-	-	-	-	-	-	-	-	-	-	-		
Bankruptcy Legal/Professional Fees	4	4	4	4	4	4	4	4	4	4	4	4	50	
Net cash provided (used) in investing/other act	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(50)	
Net Cash Provided (used)	265	262	262	344	344	344	671	671	671	752	752	752	6,090	
Ending Cash balance before payment plan	2,377	2,639	2,902	3,245	3,589	3,933	4,604	5,274	5,945	6,697	7,450	8,202	8,202	
Contribute to CH11 Plan													-	
End Bal.	2,377	2,639	2,902	3,245	3,589	3,933	4,604	5,274	5,945	6,697	7,450	8,202	8,202	